NATION'S BUSINESS

February *1926*

Railroad Consolidation

The Muddle England Made, by EDWARD HUNGERFORD
We Must Consolidate, by Senator CUMMINS

Pinchot's Giant Power

Its Fallacies Set Forth by WILLIAM D. DISSTON

How Shall We Best Burn Coal?

Our Fuel Future As Seen by FLOYD PARSONS

Dairy to Door-sill

A Study of Milk Distribution Costs, by F. S. TISDALE

Taking the Guess Out of Business, by Irving S. Paull
The Postal System—How Businesslike Can It Be? by M. D. Follansbee
Congress, a Review and Forecast, by Willard M. Kiplinger
What Public Ownership Costs Canada, by J. L. Payne

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Published at Washington by the Chamber of Commerce of the United States

"Austin Will Give Us Speed"



—Plus Recognized Ability

"WHEN will it be ready?" is the first natural question after the Board has authorized plant extension.

Executives know from experience that Austin can answer *that* satisfactorily; because Austin's speed in getting *on* a construction job, and getting *off* again with the project all completed, is proverbial.

Every other detail is handled in the same efficient way when Austin builds—a fact that has won Austin the liberal confidence of big executives everywhere. That's the practical working-out of Austin Undivided Responsibility.

Under Austin Undivided Responsibility, one executive in the client organization signs one contract wit' Austin covering Engineering, Design, Construction, Equipment—even Finance, if desired. In return, Austin delivers a complete project of any size and for any purpose, fully covered by iron-clad Austin Guarantees on Quality of buildings and workmanship; Price; and Delivery Date.

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Under the Austin Method, your entire project will be handled by one organization and under one contract which—

1 *guarantees a lump-sum price on the complete plant;*

2 *guarantees delivery of a single building or complete plant by specified date, backed by bonus and penalty clause, if preferred;*

3 *guarantees the quality of materials and workmanship throughout.*

THE AUSTIN COMPANY · *Engineers and Builders* · Cleveland

New York, Chicago, Cleveland, Detroit, Philadelphia, Portland, Seattle, Miami, Birmingham, Pittsburgh, St. Louis
The Austin Company of California: Los Angeles and San Francisco The Austin Company of Texas: Dallas

AUSTIN

Complete Building Service

THE AUSTIN COMPANY, Cleveland

☐ We are interested in the construction of a _____ Building _____ ft. x _____ ft.

☐ Send me a copy of "*The Austin Book of Buildings*," your new 100-page book, free to Industrial Executives.

Firm _____

Individual _____

Street _____ City _____

N. B. 2-26



Quality Windows *for Good Buildings*



Merchants National Bank, Cedar Rapids, Iowa. Weary & Alford, Architects. Pike & Cook, Contractors.

Sears-Roebuck Store Buildings, Chicago, Ill. Geo. C. Nimmons Co., Architects. B. W. Construction Co., Contractors.



Greater Efficiency, Convenience and All Around Satisfaction

TRUSCON SOLID STEEL DOUBLE-HUNG WINDOWS are the first choice in good buildings because of their many unusual features: (1) Finest workmanship; (2) Concealed pulleys and chains; (3) Extreme rigidity with solid members and welded corners; (4) Accessibility of weights; (5) High Quality Hardware; (6) Completeness in every detail; (7) Weathertightness, fireproofness, and permanence.

Write for suggestion, estimate, and catalog

TRUSCON STEEL COMPANY, Youngstown, Ohio

Warehouses and Offices in All Principal Cities
Foreign Trade Division, New York
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TRUSCON
Manufactures a complete line of Windows and Doors

Double-Hung Windows
Donovan Awning Type Windows
Counterbalanced Windows
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Casement and Basement Windows
Center Pivoted Windows
Continuous Sash
Mechanical Operators
Steel Doors and Frames

*TRUSCON
SOLID STEEL
DOUBLE-HUNG WINDOWS
COUNTER WEIGHTED

*A complete line of Steel Buildings, Steel Windows, Metal Lath, Steel Joists, Steel Poles, Concrete Reinforcing for Buildings and Roads, Pressed Steel Specialties, Waterproofing & Technical Paints. Truscon maintains Engineering and Warehouse Organizations thruout the Country.

Nation's Business is published on the 25th of every month by the Chamber of Commerce of the United States, Washington, D. C. Subscription price $3.00 a year; $7.50 three years; 35 cents a copy. Entered as second-class matter March 20, 1926, at the Post Office at Washington, D. C., under the Act of March 3, 1879.

"Well, well—all roads seem to lead to Florida," said Clarke as he greeted Spalding heartily.

Spalding waved an open letter at him.

"Interesting proposition, this."

"Real Estate?"

"Yes."

"No—it can't be."

"Why not?" demanded Spalding, his attention arrested by the challenge.

Perhaps Clarke, who responds very quickly to the quality of paper used in a letter, was unfair in his sweeping implication that one of the great businesses of our country was fast asleep in so far as the value of fine paper was concerned

But the state of mind of important men like Clarke may well cause disquiet to any house whose stationery is not quite all it should be.

Paper is an appearance. But business stationery is a more important appearance than it seems to the man who has not thought about it, because it conveys personality and establishes character.

A letter paper which gives these effects surely is Crane's Bond. Made by a company 125 years old, of all new white rag stock, Crane's Bond is the finest of the Crane's Business Papers, and generally regarded by large corporations and financial institutions as the premier letter paper of America.



Any lithographer, engraver, stationer, die stamper or printer can supply you with your letterhead upon Crane's Bond. When you order business stationery you will perhaps also stamp up some letterheads for your home. Crane's Bond is admirable for personal stationery because the same masculine qualities which fit it for successful business make it desirable for personal use.

CRANE & COMPANY, INC. DALTON, MASSACHUSETTS

When writing to Crane & Company, Inc., please mention Nation's Business

"Direct-Mail Results 4 Times Better-"

Famous Manufacturer Writes:

"FOR every dollar in Direct Advertising, we are spending over 5 dollars in publication advertising. However, the result from our Addressograph-ed direct-mail efforts are from 3 to 4 times higher than returns from our display advertising."—*Truscon Steel Co., Youngstown, Ohio.*

"Direct Mail Gave Us Our Best Year"—

"FIGURES show that the first year we tried direct-mail advertising we enjoyed the largest year in the history of our business. Further, every dealer who took advantage of our direct-mail co-operation purchased more goods from us than the years previous."—*Enterprise Paint Mfg. Co., Chicago, Ill.*

8 Profitable Uses

1—Selling
2—Recording
3—Shipping
4—Collecting
5—Disbursing
6—Routing
7—Addressing
8—Identifying

Used Machines Bought, Sold and Repaired

Tear FREE Trial Coupon On Dotted Line and Mail Today!



FREE Trial Shows Why

MAIL WITH YOUR LETTER-HEAD

To Addressograph Co., 909 W. Van Buren St., Chicago.

☐ Send FREE booklet: "Does Your Advertising Pay?"

☐ Send Latest Pocket Catalog and Price List.

☐ Send Prepaid FREE Trial Hand Machine. Will return Freight COLLECT unless we buy.

13-2-26

Arresting statements for plant executives



FRICTION
—the unseen destroyer of plant machinery

The largest appraisal organization in the world makes this striking statement:

> "Lubrication is a most important influence in retarding depreciation and prolonging the useful life of machinery."

In establishing the value of a machine unit, appraisers first determine the efficiency of its lubrication. The initial procedure is described thus:

> "The first thing one of our appraisers does is to ascertain whether it (a machine unit) has been properly lubricated. He finds out whether * * * the proper grade of oil has been used and whether a regular oiling schedule is part of the maintenance program.
>
> "Where deficiencies in lubrication occur, a heavier depreciation and a lower value are inevitable results."

This testimony is born of extended experience; it indicates that defective lubrication is most destructive, shortens the effective life of machinery and dissipates large investments in equipment.

Were these the only penalties, they might be tolerated, but there are more immediate consequences.

Deterioration is never sudden, but is cumulative. It starts imperceptibly and grows stealthily. It culminates in breakdowns, repairs, replacements and multiple labor wastes.

All the while, production is retarded, limiting output as "rejects" multiply and interruptions upset production schedules. The multiplication of losses is amazing, and unchecked only because the actuating cause—faulty lubrication—is so small a matter of cost it escapes attention.

Think of oil as the means to *keep value* in your production units and you get an entirely new picture of the importance of Correct Lubrication.

Beyond question, your lubrication deserves the best and most expert advice you can obtain.

We stand ready to assume full responsibility for prescribing correct lubrication in your plant. Get in touch with us.

JUST a few instances:

FROM OUR FILES OF REPORTS OF PERFORMANCE RESULTS

Savings effected by the adoption of the lubrication recommendations of the Vacuum Oil Company engineers practically run the gamut of operations, for example:

FILE NO. 10155—
$6,800 savings in labor costs in an average-sized mill in a basic industry.

FILE NO. 8255—
21% savings in a single item of production costs in a medium-sized plant making board products.

FILE NO. 6304—
$4,880 savings in power costs in a nationally known cement mill.

FILE NO. 6925—
$1,300 savings in repair materials in an internationally known plant.

In each case these specific savings were attended by economies in several correlated operations and directly affected production flow and profits.

GARGOYLE

Lubricating Oils *for* **Plant Lubrication**

Vacuum Oil Company

Headquarters: 61 BROADWAY, NEW YORK
Branches and distributing warehouses throughout the country



HUMAN? Yes, indeed, we're human. And because we're human we're leading the column with this letter which dropped on our desk today:

WILLIAM H. SCHAEFER & SON, INC.,
Stamford, Conn.
January 5, 1926.

Editor, NATION'S BUSINESS,
Washington, D. C.

DEAR SIR:

By reading "Through the Editor's Spectacles" we reach the conclusion that you are just human like the rest of us, and would probably like to hear something like the following:

We are erecting a modern, fireproof household goods storage warehouse which will be one of the best in the country. In connection with the selection of certain equipment we happened to run across an attractive advertisement in NATION'S BUSINESS a few months ago. We are now in correspondence with the American Sales Book Company and will no doubt install their products. This got us in the habit of turning to NATION'S BUSINESS when we wanted something else and, to shorten the story, we are negotiating with a builder of steel structures for a garage, with a steel desk manufacturer, a box maker, are using the product of an envelope manufacturer, may use a special paint of another company, will probably install the drying system of another, are investigating the claims of a couple of auto truck manufacturers, will look into the adaptability to our plans of a certain duplicating apparatus, and we could mention one or two more similar opportunities for advertisers in your publication.

In other words, we wanted certain special things and having become familiar with the advertising pages of NATION'S BUSINESS we naturally turned there for our first selections. The above list is the result.

Very truly yours,
WM. H. SCHAEFER & SON, INC.,
(Signed) W. H. SCHAEFER,
President.

THE FOREGOING letter brings sharply to mind our dual responsibility to our readers. Not only must we choose contributors who speak authoritatively but we must also select advertisers who are dependable, both as to the statements they make and the quality of goods they sell. Time was when a publisher's space was for rent, and little or no attention paid to prospective tenants. NATION'S BUSINESS desires above all that no reader is misled as to economic facts found in its pages, or goods bought in its market place.

At the risk of seeming to flaunt our ethical ideals, we chronicle the fact that in the year just ended NATION'S BUSINESS declined for various reasons no less than $100,000 in advertising offered us.

May Mr. Schaefer find his new business acquaintances, whom we have introduced him to, worthy in every respect.

OUR MAIL continues to be entertaining, informative, instructive. We really shouldn't charge our boss anything for editing this magazine—we get so much fun out of it. And the give and take of editorial correspondence is a joy. Whether it be gentle criticism, heartless invective, or Fal-

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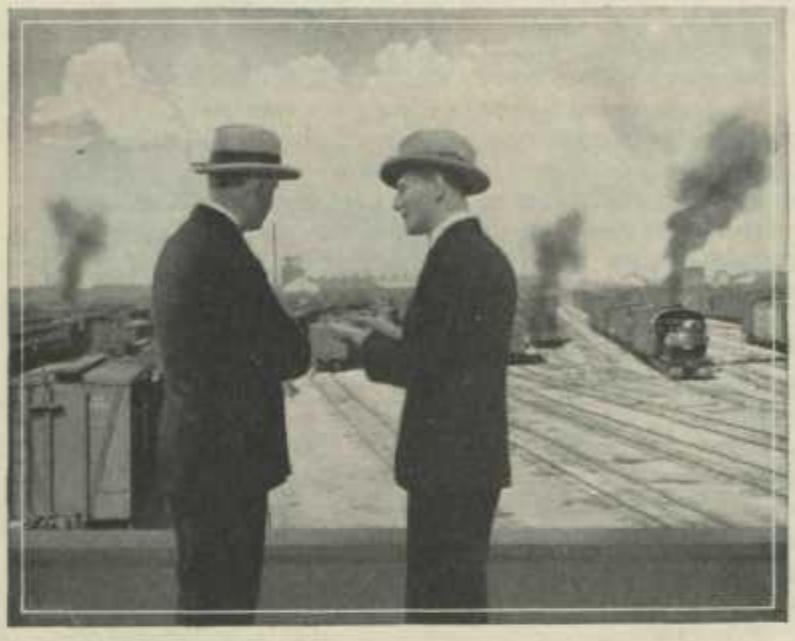
SUBSCRIPTION RATES: Three years for $7.50; one year for $3.00; single copies, 35 cents each.

BUSINESS ARTICLES, short or long, desired. Correspondence commending or criticising articles in this issue invited. Suggestions for future articles welcomed. Permission to reprint articles will be granted on request, or reprints may be obtained in any quantity at cost.

As the official magazine of the National Chamber, this publication carries authoritative notices and articles in regard to the activities of the Chamber; but in all other respects the Chamber can not be responsible for the contents thereof or for the opinions of writers to which expression is given.

OAKLAND [AND ALAMEDA COUNTY] CALIFORNIA

Advantages of the West's Fastest-growing Industrial District★—No. 4



"Every twenty-four hours 3100 cars are handled

in this freight yard alone, Jim. In that passenger terminal we passed coming over here there are an average of 2,000 train movements in twenty-four hours. This gives you some idea of the traffic handled in and out of this city.

"Oakland is the terminal of three transcontinental railroad lines—the Santa Fe, Southern Pacific, and Western Pacific. Gives you quite a range of choice and the most direct route to any point you wish to reach. That's the one big out-standing reason why Oakland outranks any Pacific Coast city as a distributing point.

"When we were down on the docks you got some idea of how we are situated for handling water shipments. You're thinking of foreign trade, getting into the markets across the Pacific. Well, according to the United States Shipping Board steamer routes, this great harbor of Central California is a day or more nearer Oriental and Australasian ports than any other on the Pacific Coast.

"Say, why don't you ask the Oakland Chamber of Commerce to ship back a print of 'Industrial Oakland' to the home office? It is a mighty interesting film and one that the Chamber is always glad to send any interested manufacturer. You can even have it returned charges collect if you want the boys to enjoy an absolutely free show."

(To be continued in the March issue.)

A detailed industrial survey of Oakland will be mailed on request to any interested industry.

—

Write Industrial Department, Chamber of Commerce

OAKLAND · CALIFORNIA

★This district includes the principal cities of Alameda County—Oakland, Berkeley, Alameda, Emeryville, San Leandro, Hayward, Newark, Niles—and is being advertised co-operatively by the Oakland Chamber of Commerce and the Alameda County Board of Supervisors.

staffian cajolery, it is always more than welcome.

Suppose we let you in on some of the good things lying on our desk.

A short time ago we regretfully spoke of the loss of a subscriber, Mr. E. G. Sullivan, of Marengo, Iowa, who didn't like the point of view of some of our contributors. Today comes this from Mr. A. F. Cox, of Warsaw, Ill.:

There is no question but that NATION'S BUSINESS is somewhat like Castor Oil, in some of its remarks, i.e., hard to swallow but most effective when the dose is properly taken. I do not live many miles from Mr. Sullivan, but I cannot agree with him when he thinks that he has just cause to cancel his subscription and I firmly believe that he will miss NATION'S BUSINESS sufficiently in the future to ask to be reinstated. Naturally if a publication would agree with everything we did and tell us only that which we know, it would be of no use to us, but it is the things we don't know and many of the things that we do not do which greatly hinder our progress, therefore why not live and learn? Why not accept the views of others who have succeeded and the nation's views in general and then get in step with the tune of time? You know the old saying, "those who do us the greatest good, offend us the most."

Well, as far as I am concerned, personally, I will say, keep on doing good and offending me; my back is broad; my head is bald; and time has sweetened my temper. I am now living to learn; results are what I want and this can only be obtained by progressive ideas.

ERWIN ITZ, who tans cow, horse, sheep, deer and goat hides, at Fredericksburg, Tex., takes us to task in this fashion:

You recently said that the Government is the nation's greatest business. "That is a damn lie," I say, because the greatest earthly business on all the earth is agriculture. If you do not believe it, then try it, and do not eat or drink for one year.

Yours for truthfulness,
ERWIN ITZ.

MR. C. S. MACNAIR, of Providence, R. I., has a kind word for Fred Kelly, who is

Always tucked away in the back of the magazine. I read him first. What he writes for NATION'S BUSINESS is meat and drink for a five-minute session. If I ever get money enough to hire him for a business banquet talk—well, I'll be happy.

PERHAPS no recent article has brought so many comments as that by Representative Homer Hoch, "Here's One Kind Word for Congress."

On another page of this issue we reproduce a letter from Senator Simeon D. Fess, of Ohio. Mr. P. M. James, of Amboy, Ill., says that we need many more similar articles. He says:

When we cuss Congress we are simply cussing ourselves. Send good men to Congress and then support them. NATION'S BUSINESS is always good from cover to cover and in its line has no equal. I have recommended it to some of my friends who have subscribed for it and there are more to follow.

And that pleasant snapper on the end of Mr. James' letter reminds us that an official of a Minneapolis corporation writes that

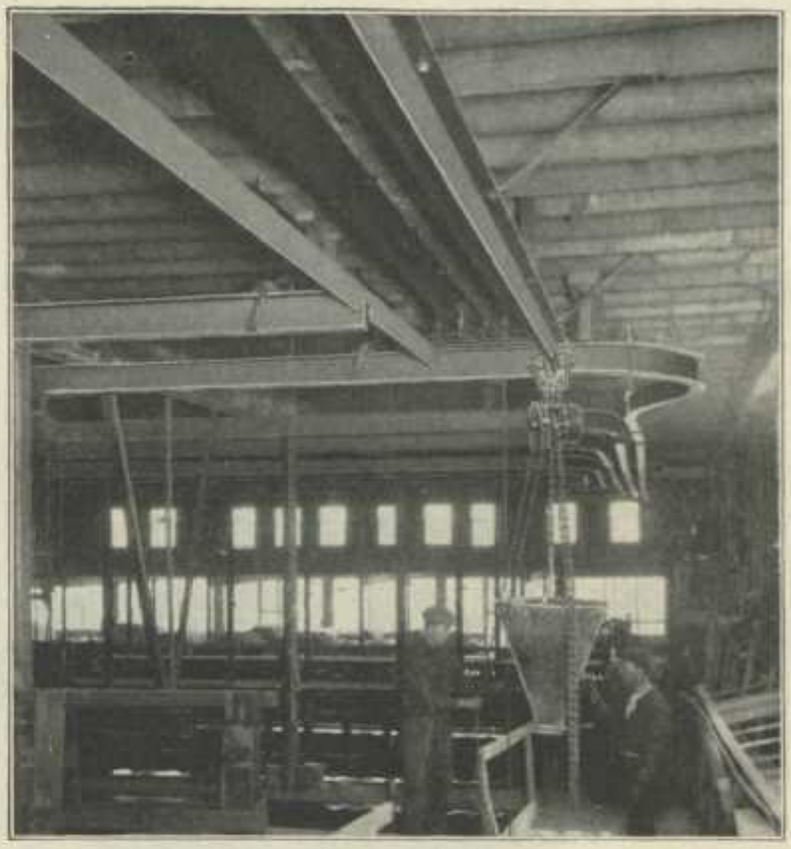
I feel the value of the publication so much that only ten days ago I sent your current number (which I regretted to do) to a man in the extreme southwest of South Dakota, knowing full well that it would take some of the poison and radicalism out of his system. He writes that he was so impressed with the articles that he



R-W No. 925 Ball-Bearing I-Beam Trolley sent for

FREE TRIAL

So confident are we of the ability of the R-W No. 925 Trolley to render superlative service that we will gladly send it to any reputable manufacturer for free trial. Such a trial involves no cost or obligation, for if the trolley fails to demonstrate its superiorities under actual working conditions you have only to send it back at our expense. This offer, we believe, is far stronger than any claims we can make. R-W No. 925 is made in seven capacities —¼ to 4 tons. Ask for this FREE trial.



Cuts Payroll $6000!

J. W. Blades, Manager, Lally Column Company, Brooklyn, N. Y., says:

"In erecting our new factory, we standardized on Richards-Wilcox 925 Ball Bearing OveR-Way Trolleys to convey concrete and handle the loading of our columns. Over 20 of the R-W trolleys, in conjunction with hand and electric hoists, operate on 2500 feet of I-beam throughout the factory.

"These trolleys are in constant use, handling hoppers of concrete from the mixer to the column forms. Handling has been greatly facilitated by our development of a shifting table composed of 5 I-beams from which are hung hoists carrying concrete. This table runs on R-W trolleys hung from I-beams, and by shifting it back and forth we can deliver the concrete to any track desired.

"With our equipment of R-W trolleys and hand and electric hoists we can do with 2 men twice as much work as we formerly did with 6 men when doing the work manually in our old factory. The elimination of 4 men represents a $6,000 a year labor saving; but as the 2 men turn out twice as much work as 6 used to, this saving is more than doubled.

"Loading the finished columns with R-W trolleys and hoists has speeded up this work and saved much heavy lifting, which reduces our labor turnover. The trolleys are also used to convey bags of cement, iron pipes, steel plates, etc., around the factory.

"Richards-Wilcox trolleys have never caused us any trouble and give excellent service."

Richards-Wilcox Mfg. Co.

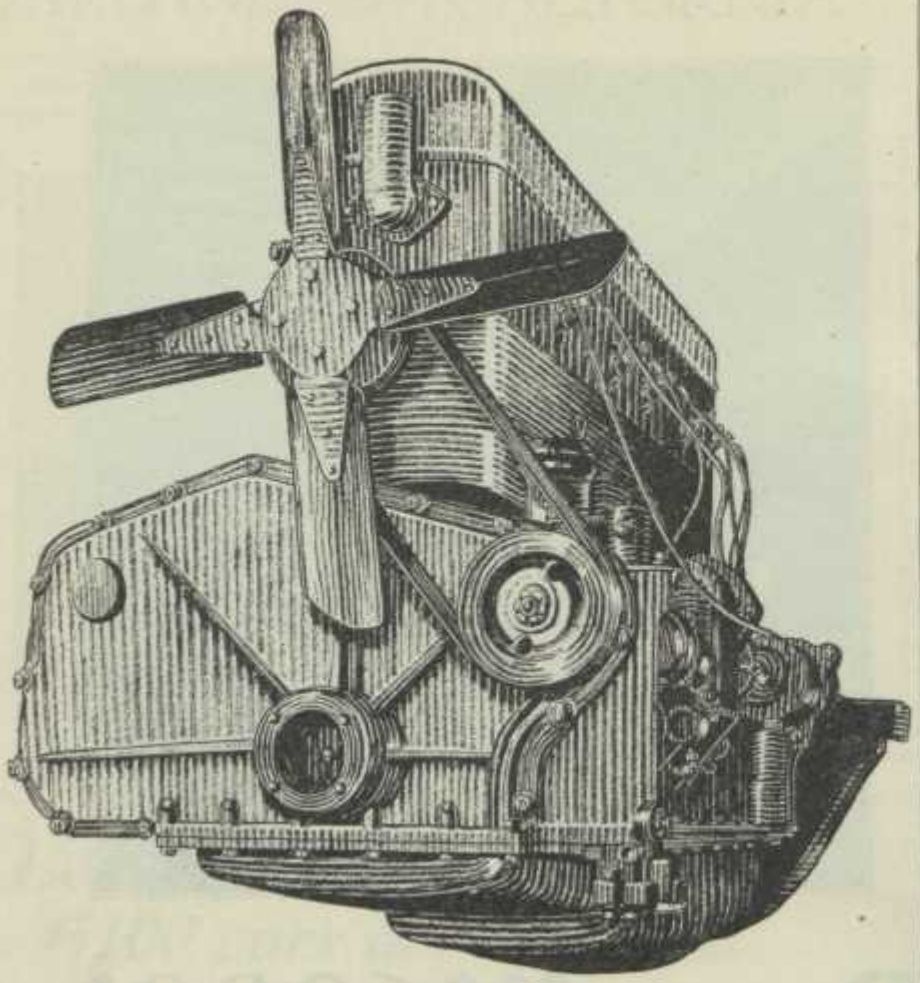
"A Hanger for any Door that Slides."

AURORA, ILLINOIS, U.S.A.

New York Boston Philadelphia Cleveland Cincinnati Indianapolis St. Louis New Orleans Chicago Minneapolis Kansas City Los Angeles San Francisco Omaha Seattle Detroit

Montreal · RICHARDS-WILCOX CANADIAN CO., LTD., LONDON, ONT. · Winnipeg

(920)



Down Come the Ton-Mile Costs!

BY delivering More Power per Cubic Inch—by traveling farther between overhauls and repair lay-ups—the Wisconsin powered truck cuts costs per ton-mile.

There are other savings equally important. For the builder: Certainty of performance, lower motor inventory, one engine builder as complete source of motor supply.

For the dealer: An easier-selling line, a simplified service problem, and performance that builds trade.

Write for the fact-full booklet, "Buying Power on a Business Basis." Free.

Wisconsin Motor Mfg. Co., Milwaukee, Wis.

Wisconsin
CONSISTENT



Wisconsin motors are built in a full line of Sixes and Fours with a power range from 20 to 105 H.P. For trucks, busses, tractors, boats and industrial units.

is considering subscribing to NATION'S BUSINESS.

The president of Yakima Fruit Growers Association writes that

Our organization has had the privilege of reading a few issues of NATION'S BUSINESS and it is so much appreciated by our office force that we are sure we cannot afford to do without it. Herewith our check for a three years' subscription. Please accept our thanks for calling our attention to the matter.

TRY AS they may our readers find it difficult to restrain their admiration for NATION'S BUSINESS. Witness this feeble attempt by Mr. J. S. Vanderploeg, of the Anaconda American Brass Limited, New Toronto, Ontario, Canada:

Herewith check for $7.50 to cover three years' subscription. In renewing this subscription we want to be different, i.e., not joining the vast host of people who write you letters of commendation. The renewal, however, speaks for itself.

"THANKS for your courage," says Mr. W. E. Richmond, San Diego, Calif., "in printing Agnes C. Laut's article 'Why Try to Save.' Give us more."

THE ARTICLE in our December issue by William Atherton Du Puy, which discussed our paper currency, provoked much comment. Two or three writers suggested that the best idea would be a two-dollar bill of a decidedly contrasting color from the current dollar—a suggestion which I believe others have made directly to the Treasury Department.

One of our readers wants, not merely a one- and two-, but a three-, and even a four-dollar bill.

One man who was interested in the article writes us that he asked thirty people what objection they had to a two-dollar bill, with these results:

Of twenty people not employed in handling money, sixteen replied, "I am afraid of passing them off as ones;" two replied, "No objection;" two replied, "They bring bad luck."

Of ten people employed in handling money, including clerks in banks, groceries, jewelry stores, drug stores and post offices, every one, without exception, replied, "No objection whatever personally;" but some qualified the statement with, "But many of our customers object to taking them."

PLEASANT words continue to come in about the Tennessee article. Most folks in Tennessee seem proud of the showing the state made. Here and there, however, a voice expresses regret that a community did not get its deserved comment; but Tennessee is too big to cover completely in any one article.

The Jackson, Tenn., *Sun*, we are informed, has editorially sorrowed that Jackson was overlooked. So, as we have said, were many other towns. But now we purpose to give Jackson credit for one thing: It is, we are told, the world's headquarters for skewers for meat cuts, and lolly-pop sticks.

Seven writers told us that we located the new rayon mill in Johnson City when it should have been in Elizabethton, some ten miles away.

It seems that the Chambers of Commerce of Johnson City and Elizabethton cooperated in securing the location for the mill. It is located on Happy Valley Farm, formerly the home of Bob Taylor, fiddling Governor and Senator from Tennessee. This is about

one mile west of Elizabethton, in Carter County.

ALL OUR readers know, if not by name, at least by his works Charles A. R. Dunn, of NATION'S BUSINESS staff, whose cartoons have smiled from the pages of this magazine for some years. We in the office knew that he was not only a cartoonist but an artist in oils, so we were pleased, but not surprised, when he won the first prize in a field of 85, at the exhibition at the Corcoran Gallery of Art under the auspices of the Society of Washington Artists.

And when we told Mr. Dunn that we were going to spread his fame, he handed us this picture of himself and his award:



A READER in Victoria, British Columbia, sends us this clipping from the London *Times* with the comment, "Now will you admit that the Briton has a real sense of humor?" We'll admit it. Here is the quotation:

Two sentences, "Buy British Goods" and "British Goods Are Best," are now familiar features of our letters, being used to cancel the postage stamps. A complaint has been made that the machines employed in this way by the post office come from the United States. The question having been raised in Parliament, the Postmaster General in a written reply states: "The stamp-cancellation machines in question were obtained from America because—so far as I am aware—there is no British firm making them."

NATION'S BUSINESS has lost four great-hearted friends in the past year, A. B. Farquhar, of York, Pa., and A. C. Bedford, of New York, whose deaths we have commented upon in these columns; and Thomas Burke, of Seattle, and George A. Post, of Somerville, N. J. Seldom did any of these men come to Washington that they did not drop in at this office with words of encouragement and helpful suggestions for the editor of NATION'S BUSINESS.

Judge Burke died in New York, after making a journey across the continent to urge a better understanding of the Japanese question. He had just uttered the words "in international relations good manners and kindly courtesy are always assets" when he fell into the arms of the man beside him and exoired. We have already chronicled the fact that when Thomas Burke began the practice of law in Seattle in 1875 he saw a city of less than 3,000 population. Just before his death his fellow-citizens had proclaimed him "the man who built Seattle." His services to his city, his state, and his country were timely and useful. What more can be said than that his life faithfully exemplified his fundamental belief in the vir-

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*The facts and figures in this advertisement were secured by the A. C. Nielsen Company, Chicago, a firm of investigating engineers who have made a survey of the results of insulating the roof of Jabez Burns & Sons' Building, New York City. A copy of the engineers' certified report will be sent on request. It is well worth reading.



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tues of good manners and kindly courtesy?

George A. Post was a man of unusual charm. He, like Judge Burke, was a friend of, and co-worker with, the National Chamber from its origin. It was characteristic of him that while he could have represented one of the large business associations, he set himself down as National Councillor of the little town in New Jersey where he made his home. No story I ever heard of him better reveals the man than this, a story told me by a fellow-townsman:

He had built a fine home in New Jersey, surrounded by beautiful grounds. There grew up around it a colony of little cottages, and some one asked Mr. Post if he didn't resent the intrusion of these "shacks."

"Shacks?" said Mr. Post. "I don't see any shacks. All I see is small houses built for young couples just getting a start in life. I don't see shacks; I see homes." And that incident is a whole biography of George A. Post.

Organized business has lost four staunch wheel-horses by the deaths of A. B. Farquhar, A. C. Bedford, Thomas Burke, and George A. Post.

A HELPFUL reader in Denver sends us a Denver *Post* containing a signed article by Commissioner Huston Thompson, of the Federal Trade Commission. It reads:

Our Commission has twenty-five anti-trust cases pending in the United States Court of Appeals, and we are doing everything possible to check the progress of monopolistic control. But nevertheless it marches steadily on, and at the present time there is not A NECESSITY OF LIFE AND NOT A LUXURY THAT IS NOT CONTROLLED BY SOME LARGE AGGREGATION OF CAPITAL THAT DICTATES THE PRICES AND THE CONDITIONS UNDER WHICH BUSINESS SHALL FUNCTION. (The capitals are Mr. Thompson's, not ours.)

The cost of living has increased over 9 per cent during the present year, and in my judgment this is due largely to monopolistic control. The worst feature of the situation is that the people seem to be indifferent or else they lack effective leadership. Public opinion never was at so low an ebb in the United States so far as defending rights is concerned.

The people of the United States have never been so restless and discontented as at the present time, yet this spirit of discontent is neither crystallized nor concentrated. The ranks of union labor seem to be strangely apathetic and the doctrine of nonresistance has apparently infected the press and the pulpit alike—the two great media for the expression of public opinion, the two great media in the defense of public rights under normal conditions.

It is a dark picture Mr. Thompson draws. It is a sad commentary on free America that he stands alone in his fight for "the people." Union labor is against him, the press is against him, the pulpit is against him, public opinion is against him. The 12,000,000 customer and employe stockholders of these monopolies are naturally against him. No one, it seems, gives him either material or moral support.

The situation reminds us of a recent incident in London. A play of George Bernard Shaw's had just been produced. On the first night the audience called for the author. Mr. Shaw came forth and was greeted with great applause. As it died down a lone voice in the gallery said, "Booh!" A second time he was called to the curtain, again wild applause and a single voice crying, "Booh!" When it was repeated the third time Mr. Shaw stopped the applause and addressing the man in the gallery said: "My friend, I feel the same as you do about this play, but what can we two do against so many?"

M. T.

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VOL. XIV, No. 2 NATION'S BUSINESS FEBRUARY, 1926
A Magazine for Business Men

England's Railroad Muddle

By EDWARD HUNGERFORD

Author of "Our Railroads Tomorrow"

THE STRAIT-JACKET consolidation of the British railways isn't working out well. That's the opinion of Edward Hungerford, railroad expert who spent some months in Great Britain last summer studying railroad conditions. Another case of too much government in business?

And what does it mean to us? Nothing, in the opinion of Senator Cummins, who has made railroad consolidation a specialty and who in the article following Mr. Hungerford's says that we must choose one of two things, consolidation or government ownership. Two illuminating articles on a subject of which you will hear much before Congress ends next summer.—Editor.

ONE NEVER suspects Cousin John Bull of rushing wildly into things. One thinks of him rather as slow to act, as highly conservative. And yet, John recently has rushed madly into a thing whereat even we, ordinarily considered an impulsive folk, have hesitated.

While we have been talking about the thing for a number of years, John has actually succeeded in consolidating his railroads. Only he prefers to call it "grouping." He has taken 54 of his lines (104 separate companies) and has reduced them to four major systems, with a few minor ones. He has made his railway omelet. Yet already he is ready to unscramble it.

Few Friends

IN A TRIP over the British railways last summer which covered nearly four weeks, I could find few friends for the grouping plan. It had been in effect two years and a half, long enough for a fair test of its merits.

Obviously, railroad consolidation should achieve certain things. It should better—or at least not lessen—the service given to the railroad patron and his community, and at the same time accomplish definite economies in the interest of the railroad security-holder. Such economies come, in the case of railroad consolidation, very largely through three things: the abandonment of duplicate lines and stations, the cutting out of duplicate trains and the lessened payroll that ensues.

I journeyed through England, Scotland and Wales to find out whether these economies had been effected, and found none. No stations had been abandoned. On the contrary, the three separate stations still stood almost within a stone's throw of each other at Leeds, although they are now used almost entirely by one system. A similar situation, only worse, exists at Manchester. And one nearly as bad at Liverpool. While for the multiplicity and duplication of terminal stations in London no real plan of relief had yet been brought forward.

Turn from the station to the trains. If duplicate stations, and the duplicate lines leading into them, had not been scrapped in the interest of a national transport economy, how about the trains?

The answer here was the same as before. There had been some attempt, particularly by the Southern (now operating all the net-work of short-haul lines south of London) to cut down parallel and more or less duplicate trains. This effort had been met by such shouts of protest that the attempt was abandoned. And the Southern group—consisting of three railway systems, each separate and fairly important prior to consolidation on January 1, 1923—is still compelled to run its full duplication of trains.

Today it possesses practically a monopoly of the cross-channel services to France. It has four of these operating the year round. With the London and Southwestern, it acquired the Southampton-La Havre route; with the Brighton, the one from New Haven to Dieppe; and with the South Eastern and Chatham, the very short crossings between Folkestone and Boulogne-sur-Mer and between Dover and Calais.



During the war the British railway worker got a taste of power and he hasn't given it up. And in consolidating railroads you cannot get rid of the human factor with a wave of the hand. The British trainman shown here is loading a new detonator which works on the principle of the machine gun and is used to prevent collisions in the heavy winter fogs

Nothing Saved

OF ALL these, only the Dover-Calais route is profitable the year round. Yet the Southern finds it to be a practical impossibility to abandon the three others, even in the unprofitable winter months. Southampton and New Haven and Folkestone would have something to say about that. Members of Parliament from the Southern Counties would ask unpleasant questions of the Minister of Transport.

No station services, no train services saved. As a matter of fact, the passenger train service has been largely extended since the days of consolidation and in a few cases actually exceeds that of pre-

war days. And no saving in personnel. As the station master of a fairly important station in the North Riding of Yorkshire put it to me:

"What would you expect, sur? To lay off men who are no longer young and who have given their whole lives to railway work? To ask them to go out into the England of today, with three million other men out of work, and seek jobs for which they are in no way fitted? Oh no, no, no!"

Oversupplied with Railways

HE WAS right. He would, himself, have been the victim of duplication. In any sharp analysis of the national plan of the United Kingdom his station would have been wiped out. And an injustice would have been done to a faithful railway servant. You cannot get rid of the human factor with a mere wave of the hand.

Properly to understand what the British railway grouping has and has not accomplished, one should go back a number of years.

For more than twenty years it has been recognized that Great Britain was oversupplied with rail facilities. Twenty-five thousand miles of line in a nation a little bit larger than New York and Pennsylvania are too many, even though that nation has almost fifty million folk, huge cities and a vast variety of industrial and mining enterprises. For there are many parts of the United Kingdom where the population per square mile is very scant indeed; little towns, growing littler all the while; thin traffic becoming steadily thinner. To furnish railway service to such sections is a burden, yet it must be furnished.

As far back as 1911 three of the British railways—the Great Northern, the Great Eastern and the Great Central—began moving rather uneasily but definitely toward consolidation. With the exception of the Great Northern none of these three lines was particularly profitable.

Their main stems, parallel and competitive, formed the south link of the so-called East Coast route from London to Edinburgh and the rest of Scotland. The north link of this chain was the North British railway, with its headquarters in Edinburgh, and the middle link was the highly profitable, noncompetitive North Eastern Railway which centered in and about York.

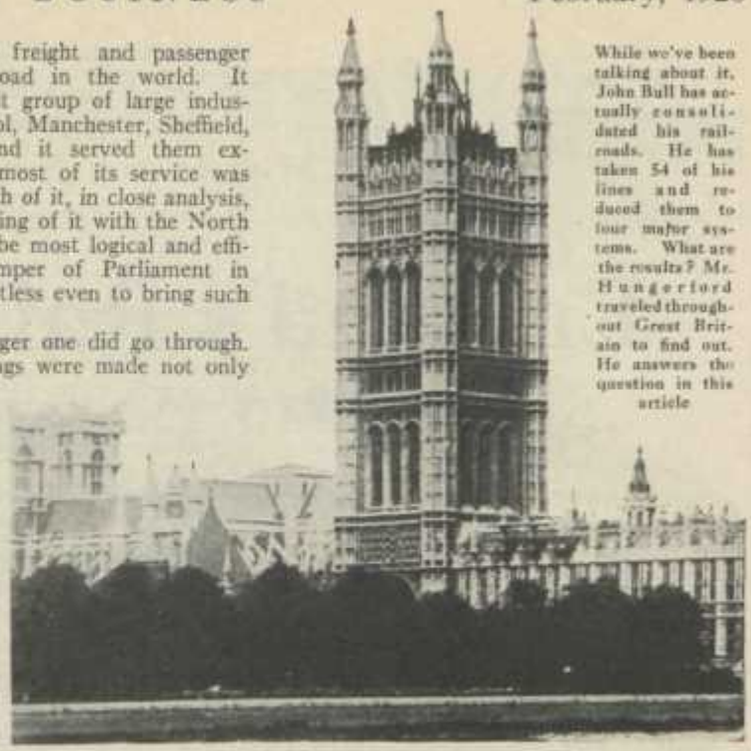
Over the main lines of the North British, the North Eastern and the Great Northern, were run, with joint equipment, the famous fast, through-passenger trains from Kings Cross Station, London, to Waverly Station, Edinburgh, and beyond. The Great Eastern and the Great Central shared but little in this traffic.

Benefits of Competition

TO RECOUP their steadily falling fortunes as well as to eliminate some extravagant short-haul competition which existed among them, the Great Northern, the Great Central and the Great Eastern promoted a bill in Parliament to permit their merging. It was thrown out. Great Britain liked too well the comfortable benefits of rail competition; the excess of competitive trains assured passengers plenty of seats, fast running and a maximum of other travel comforts.

With the fall of that plan went another, which had not been wildly heralded: The powerful London and North Western for a long time had coveted the Lancashire and Yorkshire which, while covering a comparatively small area, had one of the most intensive services of freight and passenger trains of any railroad in the world. It served a closely knit group of large industrial cities—Liverpool, Manchester, Sheffield, Leeds, Bradford—and it served them extremely well. Yet most of its service was competitive and much of it, in close analysis, extraneous. A merging of it with the North Western seemed to be most logical and efficient. But the temper of Parliament in 1911 rendered it tactless even to bring such a plan forward.

Another and a larger one did go through. Private understandings were made not only between the Lancashire and Yorkshire and the London and North Western, but also between these two roads and the historic Midland, outwardly a strong competitor of the North Western for the London-Manchester-Liverpool business.



While we've been talking about it, John Bull has actually consolidated his railroads. He has taken 54 of his lines and reduced them to four major systems. What are the results? Mr. Hungerford traveled throughout Great Britain to find out. He answers the question in this article

Think for a moment of the London and North Western as a sort of an English Pennsylvania Railroad and the Midland as a British New York Central. The day came when the Midland, the slightly smaller road, was to swallow the London and North Western.

While an entirely new name, London, Midland and Scotland, was to be adopted for the consolidated system, the color adopted for the equipment—and in Great Britain the "livery" of a railway is a very important thing—was to be that of the Midland. Moreover the very name of the new road was redolent of Midland influence.

Consolidation a War Measure

ONE CAN imagine the effect upon the morale of the rank and file of the Pennsylvania, if that great railroad were some day to be merged with the New York Central, or the Baltimore and Ohio—the familiar color of its cars changed, its very name left as but a trace of railroad history.

But the real story of railroad consolidation in Great Britain starts on the evening of August 4, 1914. John Bull, going to war, turns to his railways. They must bear no small part of his great burdens. They are highly prosperous, rich. In the preceding year their net revenues reached the sum of $235,000,000. They ought to be, and they were, of vast service in his war problem.

To have more direct control of these lines of inland transport, John felt that he would take over their operation, under the provisions of a parliamentary act passed thirty-one years before. Before midnight of that August evening the entire railway system of the United Kingdom was his. He had not time to appoint a Director-General of Railroads. He made the general managers of the railways—in England a railway general manager corresponds to a railroad president in this country—operate the lines for him. And they did it very well with a total special war personnel of twenty-six persons, including the janitor.

The ten general managers of the British railways, including an American-born and trained railroader, Sir Henry W. Thornton, took hold of the new job with zest. As an official chairman of their newly created body, the president of the British Board of Trade, a semi-governmental body, was chosen; although the actual duties of the chairmanship were handled by the general manager of the London and South Western.

Thus, in effect, throughout the entire war and indeed until nine months after the armistice, the railways of England and Scotland were left to manage their own affairs and they made a huge success of it.

But at the conclusion of the World War there was a real problem in the future of these rail lines. An alarming deficit had arisen upon them. While the government in taking over the lines that August evening of 1914 had guaranteed to continue the ample net receipts of 1913, it had, in exchange for this, stipulated that all of its war traffic, freight and passenger, should be transported free of charge. By this it profited very greatly. The sum it saved in these charges vastly exceeded the maintenance of the net of 1913.

Wholesale Raising of Wages

IT IS true that through the committee of general managers, great and almost instant economies in the working had been effected but these were quickly overshadowed and lost in the great new expenditures that came through a wholesale raising of the wages of the railwaymen. It used to be said that the British railway worker was the poorest paid of his craft the world over, and this was largely true. In the days of the World War he came into his own with a vengeance. His wages doubled, tripled, quadrupled. And while the fighting lasted John Bull himself paid them—yet, as we have just seen, at no real loss to himself.

But when the agreement ended in the late summer of 1919 the railway operators were faced with a tremendous new problem, in this new wage scale alone. While readjustments were made, these came nowhere near pre-war levels. The result was that in the financial year ending in March, 1920, the railways already had attained a deficit of more than $200,000,000 and were without hope of immediate relief.

The result of their plight five years ago was the creation of an act which somewhat resembled certain phases of our own Transportation Act of that same



PHOTOS BY KADEL & HERBERT AND EWING GALLOWAY, N. Y.

year. Under the British measure there was created a new cabinet officer, a Minister of Transport, whose most important duty was to find an equitable method of relief for the railways of the United Kingdom. For this task another man who had had his training on our American railroads was chosen. Sir Eric Geddes had his first railroad experiences as a brakeman on a Virginia Branch of the Baltimore & Ohio.

No Solution Found

HIS IMMEDIATE task was to find the way out for the British roads. On November 10, 1920, he indicated his policy in an address delivered before the Association of British Chambers of Commerce in the course of which he said that he was opposed to nationalization (government ownership and operation of the lines), but that the grouping proposal he was about to make, offered the only alternative in the situation.

He suggested that the railways of England and Scotland and Wales be divided into seven groups, and added his belief that for some years under his proposals progressive economies could be effected, to the extent of $150,000,000 a year. These were never accomplished. During 1921, the government, which under the pressure was compelled to continue for a time its guarantee of 1913 earnings to the roads even though it now had relinquished pretty much all of its actual war-time control over them, went down deeply into its treasury to make payment. No permanent way out of the difficulties was being found. The ratio of working expenses to receipts which had been at the comfortable figure of 63 per cent in 1913, in 1921 jumped to the unthinkable figure of 115 per cent.

In August, 1921, the rates were increased; the freight approximately 112 per cent and passenger, almost an even 75 per cent above the pre-war tariffs. But this usually is a very poor way for a railroad to recoup steadily falling revenues, and England proved no exception to the rule.

In the meantime the question of grouping was everywhere discussed. As with us, a vast array and variety of consolidators came forward. Many plans, some of them practical and some of them weird, were proffered.

Out of all of them certain definite groupings showed themselves. The London and North Western, the Midland, and the Lancashire and Yorkshire would become a group for the reasons already set down here. So would the companies to the south of London. So, too, the Great Northern, the Great Central and the Great Eastern would be joined. It was felt, however, that the North Eastern, like the Great Western, should be permitted to retain its name and separate entity.

Step-children Without Means

THE SCOTTISH railways presented a problem of their own. They were step-children, without much means and none of the English railways, singly or in groupings, really wanted them. And so, for a time, Sir Eric Geddes and his fellows proposed to thrust them into a box and make a single system out of all of them, willy-nilly, until a howl of protest made its way to London from the North. If England was to retain at least a show of healthy competition in her grouping why was Scotland to be deprived the same boon?

The question was unanswerable save in one way. The Scottish lines were then divided; the point of keeping the North Eastern forgotten. With the three systems of its south link into London—the Great Northern, the Great Central and the Great Eastern—it became the new London and North Eastern Railway. To this large new grouping then was given the major portion of the lines in the easterly part of Scotland, a great part of them comprised in the former North British Railway. To the London, Midland and Scottish Railway was given the rest of the Scottish lines. In all a fair balance of competition had been retained north of the old Roman wall.

So in panic, and in no little confusion, was the grouping of the British railways finally accomplished. While the merging of the Lancashire and Yorkshire with the old North Western had been accomplished a few months earlier, the entire national scheme went into effect January 1, 1923. For the first few months, even for the first year or so, a somewhat inevitable confusion, due to the largeness of the readjustment, followed. But time enough has now passed to begin to measure the results of the national scheme, in many ways so closely similar to that repeatedly suggested for the United States. The guiding heads of the four large grouped rail-



Consolidation has not done away with duplicate lines, trains and stations in Great Britain. No economies have been effected

ways went at their problem in widely different ways. In one instance practically an entire new order of things was decided upon. Change was in the very air. A railroad organization modeled very much upon our American lines was adopted and things warped to comply with it. Tradition was thrown to the winds. A paper plan was drawn for this particular railway and its general manager set himself to making his personnel fit it. That he approached his task with all sincerity is not questioned. He used tact as well. But the thing just could not be done so hastily and so abruptly. The important general manager went down and out.

Far better was the method of the London and North Eastern. Its general manager, Sir Ralph Wedgwood, planned a longer-visioned campaign. For a year or more after the amalgamation he made little or no change in the staffs of the various roads that comprised it. But he did see to it that they all had a better chance to get acquainted with one another.

Luncheon parties, dinners, frequent interchange excursions over the various railways comprising the new system, aided greatly in solving its problems. And when the day finally came to unify and centralize the control of the company, it was accomplished with real ease. To which was added a constant and very intelligent program of advertising in the newspapers and magazines and by excellent and artistic posters.

In all this there was one important British railway which came through practically unscathed and without a change of name or organization. This was one of the oldest in the world, the Great Western, which since 1834 has stretched itself from Paddington Station, London, almost due west, and then southwest, to Bath, to Bristol, to South Wales, to Devonshire and to Cornwall. For years noted chiefly for its quiet conservatism it has of late shown an astounding amount of youth and of progress.

The Possibility of Merging

WHEN the word went through the United Kingdom that her railways were to be grouped, that names that were household words all the way from Dover to Inverness, were to be wiped off the slate—as it were, overnight—people began asking one another, "What of the Great Western?" It was suggested at first that with the addition to it of certain small coal lines in Wales it might become known as the "Western." The suggestion was laughed out of court. The Great Western was so large a road and so well contained a road, so compact, within its own territory so complete and so efficient a monopoly, that there was no possibility of merging it, of robbing it of its identity.

In a few cases it was not possible, without a grand row between the four big pew families, to merge certain individual railways, and these finally have been left separate. The Cheshire Lines Committee, a small but very busy system in the Liverpool-Manchester district, and the Somerset and Dorset, running diagonally across southwestern England from Bath to Bournesmouth, are instances of this sort.

The Somerset and Dorset was a particularly hard nut to crack and finally was left uncracked. If it had gone to the London, Midland and Scottish which it touches at Bath, that road would have had an unfair advantage.

To have given it to the Southern, which it touches at Bournesmouth, would have had a like effect, while to have handed it over bodily to the Great Western would have started a storm of opposition.

Great competition! And Somerset and Dorset was retained as an expensive little individual road, because it gave a certain form of small competition to Bath and Bournesmouth and some of the towns between. The theory of economy to arise from consolidation was thrown to the four winds.

Consolidation—or Public Ownership

By ALBERT B. CUMMINS

Senator from Iowa

IN ANY discussion of the subject of the consolidation or unification of the railroads of the United States, it is necessary to bear constantly in mind two things:

First, that the conditions which surround railway transportation in this country are so entirely unlike the conditions which exist in any other country that no instructive parallel can be drawn from the experience of other nations;

Second, we should have clearly in view the chief object to be accomplished through consolidation.

Interesting and Helpful

A BRIEF retrospect may be both interesting and helpful. Prior to the World War, the English-speaking people, in the main, had adopted the policy of private ownership and operation of their railroads. The chief exceptions were Australia and New Zealand.

The day before the war began, the British Government took over the railways of England, Scotland and Wales, guaranteeing to each of them their net incomes earned in the year 1913. This was done under an Act of Parliament passed thirty years before. The Canadian railways were continued in private operation.

On December 28, 1917, President Wilson took over the railroads of the United States under a paragraph in an appropriation Act passed in 1916. We guaranteed to each railroad so taken over its average net operating income for the three preceding years. Three years after the war, the British consolidated the railroads of England, Scotland and Wales into four main, non-competitive systems. There were some exceptions to this rule, of course, but they were unimportant.



Many of the 900 railway corporations in the United States do not earn the cost of operation and maintenance

During the war the British carried war material and its armed forces free while the United States, during government operation, charged regular rates. Inasmuch, however, as net incomes were guaranteed, the difference between the two policies was a mere matter of bookkeeping. Up to the time of the consolidation of which I have spoken, the British had increased railway rates slightly more than 100 per cent; the wages of employes about 400 per cent and the cost of material and supplies had risen correspondingly, just as it had risen all over the world.

Glimpse of Situation

IN THE United States, during government possession, there was a 25 per cent horizontal increase and a very great advance in the wages of employes. Six months after our railroads were returned to their owners, on March 1, 1920, rates were again increased by the Interstate Commerce Commission from 25 per cent to 40 per cent, and wages were advanced by the United States Railroad Labor Board substantially $700,000,000 per year.

Since that time there have been some additional increases and many reductions in rates and in the aggregate a very considerable increase in wages. I am not attempting any detail of these changes, for my purpose is simply to give a general glimpse of



"We are carrying more passengers and moving more freight every year. Our problem is to keep the roads running. If private ownership will not accomplish this end, then the Government is bound to take the railroads and operate them"

the situation. In Canada, as that dominion gradually emerged from the war, it was discovered that all her railroads, with the exception of the Canadian Pacific, were insolvent and that so many engagements had been made relating to railroad securities that in order to keep her railroads in operation, it was necessary for the Government to take over about twenty-two thousand miles—all in effect save the Canadian Pacific. It should be said here that Canada, from the first, has owned one of her important railroads and it may be added that that property has always been operated at a loss considered from the standpoint of the capital invested in it.

Disastrous for Government

I HAVE presented this very brief outline merely to enforce my first suggestion; namely, that no helpful comparison can be instituted between these countries for the purpose of determining what ought to be done with the railways of the United States. If I were to extend my observation to other countries which, for a great many years have owned and operated their railway systems, the only conclusion that could be drawn from their experience is that it would be exceedingly disastrous for our Government to acquire and operate our railroads.

The British consolidation was urged and carried through largely because it was believed that tremendous economies in maintenance and operation could be accomplished. In that respect, I am led to believe the British experience has been very disappointing and I say here as I have always said that if the only object of the consolidation of our railroads were to enable the railroads to render the same service at less cost, there would be room for difference of opinion with respect to the necessity for the legislation that will be proposed at the present session of Congress.

I have heard intelligent, well-trained, careful students of the subject declare, before Committees of Congress, that through proper consolidation of railway systems and railway facilities, the same transportation service that we are now receiving could be rendered at a cost of from three to five hundred million dollars less per year than the railroads are now paying for operation and maintenance.

I have studied this subject carefully for a long time and while I believe that there can be and will be some saving through the elimination of unnecessary officers and operating forces and the uneconomic duplication of trains and a lessened expense for the repairs of equipment, I have never believed and I do not now believe that these economies furnish the chief reason for the consolidation of railroads.

The British plan proceeded upon the theory that the wastes of competition outweighed the advantages of competition. I am not of that opinion. In my judgment, there is no enterprise in the world of activity that more imperatively demands competition than railway transportation. I do not mean, of course, competition in railway rates, for that is wholly impossible if we maintain the fundamental policy of our regulative law; namely, a prohibition against discrimination.

The consolidation for which I have been standing, as is evidenced by the present law upon the subject, is a consolidation that will preserve competition and maintain, as nearly as may be, the existing routes of trade and commerce.

Reason for Consolidation

THE COMPELLING reason for the consolidation of railroads in the United States is that we must either consolidate or go to government ownership and I am so thoroughly convinced that government ownership and operation of our railroads would be disastrous from every standpoint that I am now and have been for five years doing everything in my power to prevent that catastrophe.

Unlike many other advanced nations, we have no surplus railway facilities. Our experience is that it is with great difficulty that railway transportation keeps pace with the growing demands of commerce and industry.

We are carrying more and more passengers and moving more and more freight every year and in some way or other we must not only keep running the railroads we have but additional facilities must be added every year unless the country and all its varied industries cease to grow. Our problem is to keep the roads running. If private ownership will not accomplish this end, then the Government is bound to take the railroads and operate them.

With this understanding of the chief problem of the present time, I venture upon the briefest possible survey of existing conditions. In round numbers we have 265,000 miles of single main track. If we add the second, third and fourth tracks, the terminal, passing and side tracks, the aggregate is 415,000 miles. Over these rails there moves every year about one-half of all the freight traffic of the world. These tracks with their equipment, their warehouses, storehouses, elevators and structures of all kinds are owned and operated by 900 separate and generally independent railway corporations.

Roads Must Be Kept Running

MANY of these railway corporations do not earn the cost of operation and maintenance. Some of them earn 1 per cent upon their values. Some of them earn 2 per cent; some 3, some 4, and so on up to 10 or 12 per cent. I am not so much concerned in preserving intact the capital that has been invested in these properties as I am in keeping them in position to render the service which the business of this country imperatively demands. Undoubtedly, somebody must lose money in the course of consolidation; but however that may be, the railroads themselves must be kept running.

Something like 85 per cent of all traffic in this country is competitive traffic and the road that is earning 1 per cent or less cannot charge a higher rate for transportation to common points than its prosperous competitor charges. Under these conditions, there are but two alternatives under private ownership and operation. One is to raise the rates to meet the necessities of the weaker railroads so that they may earn a fair return. This course is simply unthinkable because it would result in allowing from one-half to two-thirds of the railway mileage of the country to earn grossly excessive net incomes.

The other alternative is consolidation upon terms fair to all the railroads in the system—I mean on fair, relative values. It is my judgment that if we do not pursue this course the railway companies owning and operating seventy-five thousand miles of our total mileage will be compelled to abandon operation. We all know what will happen in that contingency.

The people who are served by these railroads and who have no other access to transportation will insist and properly insist that the Government shall take the roads, operate them and pay whatever losses are incurred from the proceeds of general taxation. I repeat that the end is either consolidation or government ownership and operation.

What Would We Do Without Babbitt?

By CHESTER M. WRIGHT

Cartoons by Charles Dunn



THERE was a time when it seemed that that eminent realtor, George Babbitt, hadn't a friend in the world. At least, what friends he had were voiceless, while his enemies had plenty to say and enjoyed hearing themselves say it.

It pleased me then to find that Babbitt had a spokesman in NATION'S BUSINESS and that the voice of that spokesman was being repeated. It gave me courage to speak up for him.

George Babbitt was brought forth into the glare of the Broadway sun to be scoffed at. He was exhibited as the example of what one should seek not to be. And a million persons, more or less, who are eager to ape a self-elected few immediately leaped to the conclusion that George Babbitt is the kind of man one should not be.

Now George Babbitt is possessed of certain traits that may be lacking in elegance. He may flaunt a rather cheap ostentation at times. His morals may tend to skid sidewise now and then, but if he has a monopoly on that, let him who is without, as we have learned it, come forth and roll up the shades so we can have a good look at him.

George goes out and indulges in parades. He wears a whopper of an Elk's tooth, he joins, he boosts, he is bent on "getting on" and he makes life miserable for the croakers who think there's something wrong with things.

George has a collection of traits which have become known and branded as Babbittry and this collection of traits is so typically American that as a matter of cold statistical information it is calculated that about eight-tenths of the population of this well-known nation belong to the Amalgamated Order of the Brothers Babbitt—here comes the parade!

Astride the Top of the World

GEORGE BABBITT gets himself into the local booster club. He organizes "Greater-Hot-Dogville Associations," he buys tons of American flags which he waves assiduously, or which he distributes to those who will wave them. He is more or less stupid about literature, and he may not be sure whether Dostoievsky is caviar or salad dressing.

George rates zero with the grand admirals on the top-lofty reviews; he gets only muffled snickers from the general staff of the grand army of superior persons. Our best circles rank him as mentally and spiritually fit for the ash can.

All right. Let 'em knock George. Let 'em kick his dog around. But let them temper, if they will, their condemnation with that mercy and patience to which the humblest bit of human life is entitled. Give George a chance. For himself he tells 'em to all go to the eternal bow-wows, for he has no notion that he is in any sense inferior. He's astride the top of the world. But, let his friends ask for him a more merciful consideration. He has his points, George has.

To begin with, George Babbitt, the well-known leading citizen of Kansas City, Denver, Los Angeles, St. Louis, Oshkosh, Cincinnati, Red Gulch, Medford, Oskaloosa, Tucson, Aurora, Minneapolis and points west, is the direct descendant of the Down-East Yankee, who, as our history book tells us, possessed all the sterling virtues and qualities that make good citizenship and devout, upright character.

George Babbitt's grandfather Ephraim, toted a squirrel gun when he plowed; he could lick any ten foreigners; he could tell the whole village grocery the God's truth about anything under the sun and keep a straight face. He was the best horse trader the world ever knew; he could wait till he saw "the whites of their eyes" and keep his nerve. For a man who usually didn't know Shakespeare from Oliver Cromwell, he managed to create the impression that he possessed the key to all knowledge, "book larnin' " to the contrary notwithstanding.

The Yankee got a reputation for being a braggart, a know-it-all, a tight-wad, shrewd, cunning, bigoted, a genial and boastful ignoramus of decidedly provincial proportions and outlook. But somehow he got where he started to get. And the Americans of today look back upon him with a good deal of pride.

In his time the typical Yankee displayed all of the traits for which George Babbitt is today denounced. The Yankee developed in an environment previously non-existent. New surroundings and new necessities made a new race to be thrown into conflict with the world's conglomerate of humankind. And if they laughed at this crude and boastful Yankee, they didn't step on him—not twice, at any rate.

There was this about the "Down-East Yankee," as he was known: If there were any "pickin's" he got 'em. And it can be said safely that if there are any new shoes being passed around, George Babbitt's children come pretty near getting first choice.

Yes, George Babbitt is a go-getter, but what's so bad about that? If he gets avidly, he gives freely, even if he does it at times with too much heralding.

Yes, George Babbitt gets into every parade that comes along, and if parades are slow in coming along he goes out and starts one. What is there so bad about that?

Yes, George Babbitt joins the Rotary, the Elks, the Booster Club, the Kiwanis and the Greater Babbittville Association. What's so bad about that?

Yes, George Babbitt may be pretty much of a standardized product, but that is not an indictable offense.

Some of These Babbitt Traits

LET US peek into some of these Babbitt traits that have brought forth so much condemnation from the sacred precincts of the elect.

When George Babbitt goes out on parade, when he gets into everything and every place where there is a show for excitement, a chance for starting something, an opportunity to claim that "this is the best little old town in the world," a chance to wear a fancy uniform now and then behind a brass band, George is running rather true to form, so far as the human race is concerned.

George Babbitt, finding himself in a machine age, is doing his best to find excitement, to vary the monotony, to distinguish



George Babbitt gets into every parade that comes along, and if parades are slow in coming along he goes out and starts one

himself, to do in the more or less stereotyped manner of his community what Sir Montmorency Hotblood Ironface did in the same quest in the Age of Chivalry when he donned his armor, jabbed the lady's handkerchief inside his doublet and sallied forth on his black charger to run a glint of steel through his utterly no-good rival. It's all the same thing in a different age.

We're Bothered with Bathtubs

A GOOD many of the men who are now derided as victims of Babbittry, or apostles of Babbittry, or participants in Babbittry—I don't know which—are men who from seven to ten years ago were sloughing through France in the wildest, muddiest and most terrible adventure humankind has ever known.

In that period men were pretty much standardized, but in spite of that a fairly large percentage of Americans showed, to the discomfiture of the Kaiser, that standardization didn't kill initiative. There were plenty of individual heroes in that collection of run-of-mine Americans. More important than their individual exploits was the fact that collectively they got what they went after. When it came to dash and sheer spirit, nobody had anything on that army of George Babbitts.

We live pretty much by machinery and by what machinery gives us in this distributing age. Our civilization is somewhat marked by the quantity and quality of "modern improvements" which we gather around us in our domiciles—and in our garages.

The very nature of machinery leads to standardization—to a lot of people doing many things in the same way, and even at the same hour of day. We are tremendously bothered with bathtubs, toothbrushes, safety razors, movies, radios, twin-sixes, factory-made clothes, electric fan-dangles, steam heat, telephones and such things. We make more of these things and we use more of them than any other nation on earth.

We build more buildings and we make them more livable than any other place on earth—hear old George Babbitt himself—and because so much of our lives turns around machinery and machine products we naturally may be expected to absorb some mechanical qualities, habits or tendencies. But give us time, critics, give us time.

We have been released from the toil of our forefathers who worked twelve, fourteen, sixteen and at times even eighteen hours a day to dig out of resisting elements a bare family living. Homespun has gone. Cowhide boots, except for rough work, have gone. The ox-cart has gone. The trappings of a hand-made life have gone—and with them have gone the aching frames, the bent backs, the hollow faces, the sunken eyes, and premature old age. Not gone for all yet, but gone for millions and going rapidly for all.

George Babbitt has a lot of time on his hands that his hand-labor grandfather didn't have and George hasn't adjusted himself yet to the new way of living. We shall have to learn to live—really to live—in this amazing new civilization. No generation, no ten or twenty generations, ever faced such rapid-fire changes in the vital matters of life as our generation has had to face and is facing.

No generation ever had to learn to make so many adjustments as our generation has had to make and is having to make.

But remember this: dazed and puzzled as he is, drawn into a vortex of whirling machinery as he is, when George Babbitt's kids get sick they get a doctor quickly, and they get the best doctor in town or George is going to know why. They wear good clothes. They get a chance to go to school, and to the best of George's knowledge, they get what goes current as a good school. George's town has the best brass band in the state and plenty of movie houses.

Give George Babbitt a Chance

GEORGE'S movie judgment, his musical judgment and his judgment of books and magazines may be raw as compared to the judgment of what a friend of mine calls "the coteries," but what final judge will say that they are all right and that poor George is all wrong? Maybe George, cut to pattern as he may be, standardized as he is, has something that they have overlooked.

I know that George Babbitt falls for a lot of hokum and joins a lot of movements that the world would be better off without. Professional promoters get him by the ear and talk him into uplifting the race by giving generous donations to their particular brand of uplift work. But the coteries fall just as hard. The wrong is by no means all in George's province. The principal gold brick market is not in Oskiolo. It's where the elite park their pumps.

So many superior persons can't rest today until they've put some human element under a microscope and discovered what makes his wheels go round!

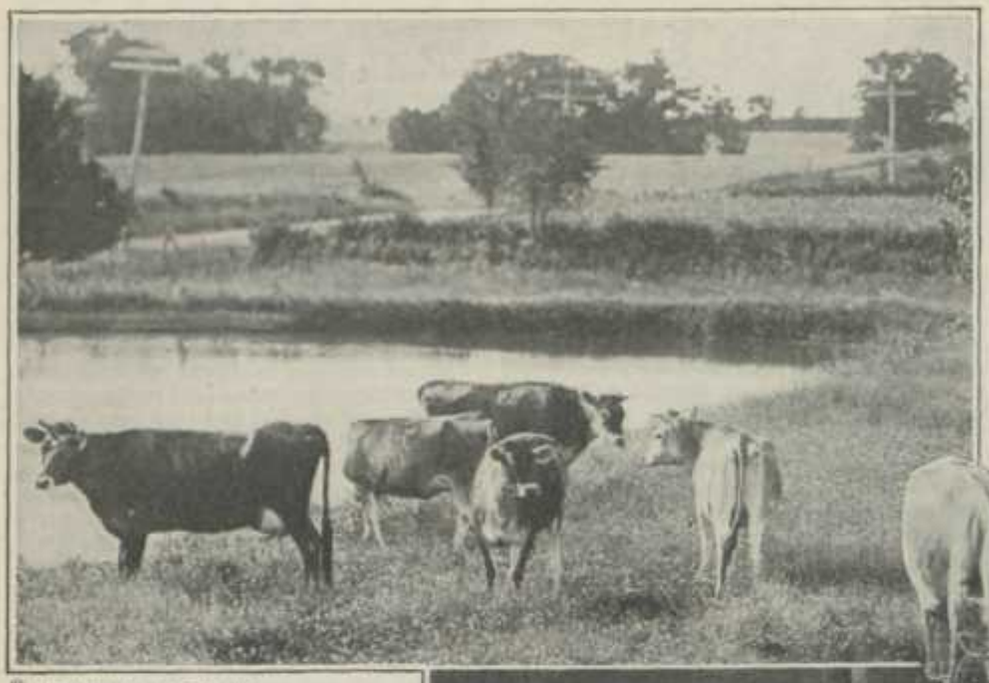
Give George Babbitt a chance to adjust himself. He'll come through—and so will his sons and daughters.



Our best circles rank him as mentally and spiritually fit for the ash can

From Dairy Farm to Door-sill

By F. S. TISDALE



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Milk on the hoof

"NOW, ALEXANDER," Mrs. Manning spoke in a cautious undertone, "he's out in the kitchen and I'm going to send him in. But remember—you have a way of talking to people as if you had 'em before a judge. You're not prosecuting him. This young man isn't the kind that will stand much bullyragging."

"Send him in," directed her husband in a voice that could be taken either way.

Manning rumpled his gray hair and stretched his hands from his cuffs as he used to do in the courtroom when he had a stubborn witness in prospect. He was studying a slip of paper when a bulky young man in a wool-lined coat appeared in the door and sang out with the friendliness of a free-born working man,

"Want to see me, brother?"

Fought Injustice

THE BULKY young man had a wide mouth and a face freely punctuated by bran-colored freckles. Decidedly he was not the type which invites bullyragging.

"Your name," Manning studied a scrawl at the foot of his paper, "is Carlton?"

"Dolan," corrected the other, "I don't sign it plain."

"Well, Mr. Dolan, I told my wife I wanted to see you next time you collected for the milk. I hold in my hand our last receipted bill. We are being charged 15 cents a quart for milk. You are not to take what I'm going to say personally, Mr. Dolan—"

"Shoot," advised Mr. Dolan.

"—but I consider this price excessive and unfair. You must not misunderstand. I am quite able to pay 15 cents for a quart of milk. It is the principle of the thing. When I practiced before the bar, Mr. Dolan, I always fought injustice. I think this price unfair. Out West where I came from we paid 40 cents a gallon for milk, or 10 cents a quart. Why must I pay 15 cents in New York?"

"Well," began Mr. Dolan vaguely as he ran a finger through the pale bristles on his head, "I guess its because—er, the service here costs—." His voice changed suddenly to poignant reproach. "Sa-a-a-a-ay, what the hell! I charge you 15 cents because the company tells me to. I don't know anything about the price. All I know is that I had to jump out of the hay at 1 o'clock last night and buck a blizzard to get that bottle of milk on your door-mat. And I bet, by golly, you wouldn't do that if you got $15 for every quart you delivered."

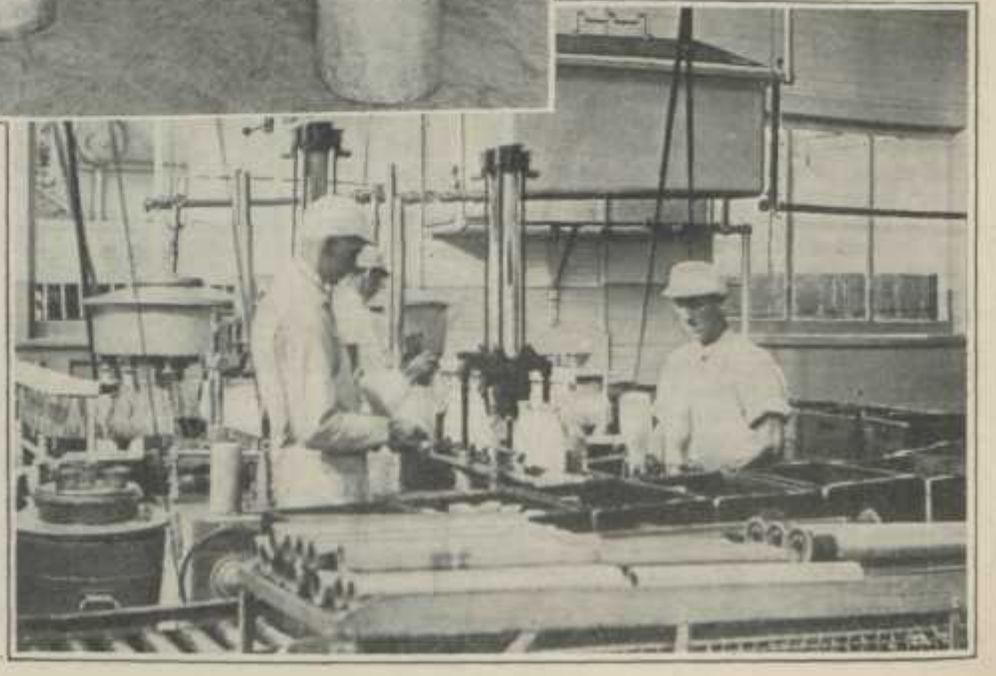
"Quite right, Mr. Dolan," soothed Manning, "I realize that you have nothing to do with setting the price and that your duties at times are most difficult. I only thought you might have some information on the subject."

He Knows Milk

MR. DOLAN'S freckles broke into a mollified smile. "Sure," he said, "that's all right. I don't know any of that cost stuff, see. If you're interested why don't you go down to the office? There's a guy named Kent I hear 'em talk about. Vice-president or something. He knows milk from pasture to pasteurizing."

When the milkman had withdrawn with his collection and a good cigar, Manning climbed into his heaviest coat. He was going, he informed his wife, to "dig to the bottom of this milk business." A determination which deeply dis-





Left: Unloading milk at New York. Below: Bottling milk automatically by machinery

tressed that good lady. It was terrible weather outside; he had been sneezing only last night and would catch his death of cold; and all over a 15-cent quart of milk!

"It's the principle of the thing," repeated Manning. As he left the snug warmth of the apartment house for the bitter wind outside he felt the exaltation that must have upheld the Crusaders when their wives objected to being left behind and declared the whole enterprise a lot of silly nonsense.

How He Suspected the Company

MANNING and his wife had come from their western home to spend the winter in the New York apartment of a son who had been suddenly called to Europe. The retired lawyer was continually scandalized by the "indecent metropolitan prices." It was the charges for small daily indispensables that offended most. He forgave such luxuries as $11 for two front seats at a musical show; but he could not forgive milk at 15 cents a quart when he had been paying 10 cents back home.

A roaring subway express swept him downtown; an elevator that did things to his stomach carried him skyward to the offices of the milk company which he had placed under personal indictment. Here a small cynic at a gate told him he would see if Mr. Kent would talk with him and returned anon with the information that Mr. Kent would.

Mr. Kent proved to be a large, cheerful person with a way of closing one of his gray eyes and cocking his head to one side when he asked a question. Into his attentive ears Manning poured the story of how he had come to New York to spend the winter and how he suspected the milk company of rank profiteering.

"You probably think it strange, Mr. Kent," Manning concluded, "that I bother myself and you about a 15-cent bottle of milk."

"It's strange enough," admitted Kent. "Mighty few people take the trouble to inquire about such things. Just call us a lot of damned robbers and let it go at that. Now, what riles you is our charging 15 cents a quart for milk when you paid 10 cents back home. All right." He cocked his head on one side. "Mr. Manning, how far is it from your kitchen door out West to the cow that furnishes your milk?"

"We buy it from the red-headed kid next door," Manning explained. "His father gave him a little Jersey and paid the feed bills. The boy milks and sells to people in the block. The cow-shed is about two hundred feet from my kitchen."

Kent whistled. "You get milk from a cow next door! That reduces the thing to primitive simplicity. Your New York milk is a more complicated problem. How far do you suppose milk travels before it gets to your apartment here?"

"Of course," the lawyer's distaste for questions showed in Manning's tone. "I realize conditions are different. But the price gap seemed too wide. I suppose New York's milk comes from farms 50 or 60 miles away."

"I only wish it could. But cows have to be kept on farms and farms take a lot of space. Land 60 miles from New York is too valuable for dairies. Some of our milk is produced almost 300 miles away. The average is 200 miles. Milk you get here may travel more miles than your milk back home traveled in feet."

"Interesting, but could we get at the price?"

"That's getting at one of the things that makes the price." Kent began pulling cost-sheets, files and booklets from his desk. "Ah—here's the thing I wanted. Now, getting back to the red-headed kid, how much plant did he have?"

"Plant!" laughed Manning, "his plant was one cow and one cow-shed."

"Exactly. But he could never sell milk to New York. Milk is a tremendously important factor in the city's health. The strictest regulations control the milking and delivery in New York. The law goes right out into the country and says how many window panes and how much fresh air the cows shall have. Our big New York milk companies have veterinarians who travel continually from herd to herd preventing diseases and checking up on sanitation. When you look at it, it is quite a feat to produce a quart of milk for New York."

"What I am most interested in," persisted Manning, "is price. Who sets the 15-cent charge that I have to pay?"

"Prices are negotiated by committees of the distribution companies and representatives of the dairymen. They are founded on what it costs to produce and the supply available. In the spring and early summer when the cows are giving most milk, it is cheap. In the winter when many cows are dry, milk is higher in price. You couldn't keep a cow in your New York apartment, could you?"

Manning admitted that impossibility.

"Then you've got to buy it from men who have cows. The dairyman has his troubles. Labor shies at farm work. I have a friend who needed men. On a trip to New York he noticed idlers slouched by the hundreds on the benches in Madison Square. He approached the supposed unfortunates with an offer of work. They asked warily what kind of work. On a dairy farm. All of them gave the same answer.

"'Nothing doing. I wouldn't take a job on a farm.'

"Such factors make his problems greater



"It's difficult work and the hours are hard. But we get fine men because the jobs are steady and the pay good"

© CHRIS GALLOWAY, N. Y.

To the door-sill



than those of your red-headed kid and they make you pay more for milk in New York. Then there is the costly business of fighting the germs. Bacteria are as fond of milk as we are. One germ will swell up, break in half and double itself 48 times in 24 hours. If you don't interfere with this industrious multiplication, in 48 hours one germ would be the proud ancestor of 281,474,976,710,656 descendants."

Manning felt rather faint at this revelation. "Good lord!" he exclaimed, "What do you do about it?"

"We interfere," grinned Kent. "Cleanliness keeps bacteria out of milk and science prevents a dangerous rate of increase. Cleanliness costs money. It helps bring the price of your milk to 15 cents a quart. (Manning murmured fervently that he hoped so.) What I am getting at is that a multitude of complications figure in your New York supply."

Farmer Gets 6 Cents a Quart

MANNING learned with surprise that these intricacies began piling up at the dairy farm. The cows had regular visits from their doctor. Before milking they were curried like horses and their udders wiped clean. The milker's hand had to be well washed. He used a covered bucket which kept out germ-laden dust. Stalls had to be cleaned and scrubbed. The milk was strained through cotton and cooled in ice water. At last a Ford truck took it to the nearest milk station at a railroad siding. This station belonging to the company—on its platform the producer turned over the milk to the retailer.

"Do you ever find it watered?" asked Manning.

"The pump handle as a boost to the milk supply is a dead joke. Samples of each farmer's delivery are taken and he is paid on the basis of the butterfat test. For grade B milk—the grade we have been discussing—butterfat must be 3.8 per cent."

"Then how much does the farmer get for it?"

"He gets 6 cents a quart."

Manning sat up very straight. The dairyman was paid only 6 cents for the quart that cost the consumer 15 cents. Here was information he could set his teeth into.

"Surely that is indefensible," he cried, "A difference of 9 cents between the farmer and me. Nine cents doesn't look like much until you figure the average—then you discover it is an increase over the farm price of 150 per cent. Can you justify such a jump?"

"I'll let you judge," smiled Kent. "Remember we pay 6 cents at the country station. Your quart of milk is still 200 miles from New York. We have 9 cents with which to pay all traveling expenses and services. Let's see how that 9 cents cuts up:

"At the country station the milk is again filtered, cooled and poured into 40-quart cans which are covered with ice and placed in a railroad car. We must pay the men who handle the cans, we must buy the ice, we must pay for machinery, power, heat, taxes and a hundred other things. It costs us $0.008 to get your quart through these processes."

He stopped to give Manning time to put down the figure.

"The car," Kent continued, "is picked up by a milk train and taken to the main line where it becomes part of a fast express which does not stop until it reaches the receiving platform in New York. The rail journey is finished—and we have a lot of traveling charges to meet. You have to pay the railroad for the coal in the engine, for the upkeep of its track; every man from the track-walker right up to the chairman of the board receives his proportionate share of your milk's railroad fare. Freight gives the quart an additional cost of $0.011."

"O-one-one," Manning jotted down. "Still a long way from the 9 cents."

"But we have only got your quart of milk to the city. New York is notorious for its high trucking and hauling costs. Your milk is loaded on a truck and driven across town to the pasteurizing plant. For the hauling and for the labor which handles the can you must pay $0.005 more on that quart."

"Pasteurizing," repeated Manning, "means putting something in to kill the germs, doesn't it?"

"Pasteurizing kills the germs but it puts nothing into the milk. The milk is heated to 142 degrees, held at that temperature for 30 minutes, then cooled to 40 degrees—a procedure that checks the ardor of the bacteria. Again the milk is filtered—for the third time since it left the cow—and clarified by machinery. Now it is put into the bottle which takes it to your door-sill—the quart has received its indentity."

HOW MANY of us think of the bottle of milk on the door-step as a product, and how many think of it as a service? The truth is that it is about three-fifths service and two-fifths product.

Service is the big factor in the cost of this perishable necessity that travels, it may be 200 miles every day, to reach your home. And it lands there as regularly as water flows from the faucet.

What you pay for this service and why you pay are here set forth in another of F. S. Tisdale's "dramas of distribution." Mr. Tisdale writes in fiction form, but his facts and figures are not fiction.—The Editor

Milk Bottles a Heavy Item

TO HIS amazement Manning learned that bottles were a heavy item. The life of a milk bottle upon this earth is brief and tragic. Formerly a bottle made but five trips before it was broken or disappeared. The problem became so grave that the big companies banded together to fight it and had succeeded in doubling the life of the container. In spite of them bottles to the value of a million dollars are annually lost or become jagged dangers to New York's automobile tires. Also the consumer has to pay fortunes for cans that are lost or smashed.

"A machine fills the sterilized bottles," explained Kent, "at the rate of 2,400 an hour. Once more the milk is covered with ice. The cost added to the quart at the pasteurizing plant is $0.015."

"O-one-five," intoned Manning.

"The law says milk must be sold 48 hours after pasteurizing. From the plant it travels fast. Your quart is trucked to a city distributing branch—at a cost of $0.006—and remains there until early next morning when the milkman takes it to your door."

"I was talking with one of your men this morning. How do you find labor willing to to get up at such unearthly hours on such cold mornings as this?"

"We have little trouble there. The answer is steady work and good pay. With their commissions our milkmen—route salesmen we call 'em—earn from $46.75 to $47.75 a week. It's no cinch. They get up around midnight as a rule. In workmen's districts the milk must be delivered before 6 o'clock. Your bottle gets to you before 7. Such work is great exercise for the calves of the legs. The milkman loads his basket with as many bottles as he can carry and starts climbing steps. In tenement districts they go up the stairs of one house over the roof, and down the stairs of the next, leaving a bottle of milk at every door. They are the first to hit the street on cold, snowy mornings—the milkman breaks trail. And for this last leg of the journey, you must pay $0.042 on your quart of milk."

"The milkman's pay is but one of a thousand expenses that goes in here. There is the horse—good ones cost $240—and the wagon. The horse must be housed and cared for. It costs almost as much to board a horse in New York as it does to board a man. The wagon has to be kept clean, painted and repaired. Harness is in that item, too.

How the Figures Total Up

THE man who delivers your milk has nothing to do with caring for the horse or the wagon. Hostlers must have wages and the quart of milk must stand a share of it. Here you have another building with rent, heat, light, insurance, taxes, depreciation and all other tireless little items that eat into profits. The figure also includes management and office expenses.

"That doesn't leave you much of a net profit," observed Manning.

"Our profit on your 15 cent quart of milk is $0.003 or one-fiftieth. Now, let's see how those figures total up."

Here is what Manning had written down:

The farmer was paid	$0.06
Costs at country receiving station	.008
Freight 200 miles to city	.011
Trucking to pasteurizing plant	.005
Pasteurizing plant expense	.015
Trucking to district branch house	.006
District branch costs, including delivery to door-mat	.042
Company's net profit	.003
Total	$0.15

Kent put aside his cost sheets and pamphlets. "That red-headed kid back home charged you 10 cents a quart for milk when the cow was given to him, when her feed cost him nothing, when he could make his delivery by walking a few feet to your back door. We charge you 15 cents a quart after bringing the milk 200 miles and putting it through processes that the youngster probably never heard of. Here in town an intricate series of services makes it possible for you to open the door in the morning and find that quart of milk within reach. I've told you what the quart had to go through to reach you. Run over those costs and tell me—Where is your profiteer?"

Manning rubbed his chin thoughtfully.

"Well," he said at last, "I guess it's that red-headed kid back home."

Congress Settling Down to Work

By WILLARD M. KIPLINGER

THE Congressional session stacks up this way:

December was occupied by organization, the introduction of a multitude of bills, passage of the tax bill through the House, and the Christmas holidays.

January was marked by committee hearings on important bills in both houses, representing hard work in the legislative process, and by the drafting and introduction of many new bills embodying composite views of various members and groups. These "second growth" bills form the basis for much of the prospective legislation during the remainder of the session.

February, according to the congressional almanac, is the month for continued committee hearings and redrafting, for much floor debate, and for the grinding of the important tax revision bill through the Senate.

Certain Amount of Fireworks

THIS month will be featured by a certain amount of fireworks on the floors of Senate and House, in the form of speeches, demands for investigations, and partisan criminations, but next month and thereafter will be the real time for political haymaking. Then will come developments disturbing to business men, more from talk and threats than from action.

It is being said that this is a "do nothing" Congress. It is nothing of the sort. It is a normal session, with relatively few issues of broad national importance, but with the usual number of measures of very great importance to certain lines of industry and commerce. Nearly ten thousand bills have been introduced, but on a long view this means nothing. Nobody expects them to be passed. Nobody expects most to have even a hearing. They represent not the pet ideas of members of Congress, but the pet ideas of constituents, of whom Congress has quite a few millions, and one of the best things Congress does is to put its bills to sleep noiselessly, painlessly and permanently.

Loud cry is being made against the propaganda directed at Congress. You are hearing talk of "legislation by propaganda." This refers to certain widely organized movements to get citizens to write, telegraph or petition their senators and representatives to support this, or oppose that—communications inspired not so much by the individual convictions of the writers as by machine-made movements. Irrespective of whether this is good or bad (and I believe it is not improper) it is accurate to say that so far this Congress has been the target of less propaganda than usual.

Congressional proposals at this stage of the session are like horses at the quarter post. Since I am required to predict the end of the race, I will say that, in my opinion, these are some measures which are fairly sure of ratification or enactment: Tax revision. All appropriation bills (with threatened but unsuccessful filibusters on one or two near the end). World Court. All foreign debt settlements (with a severe fight on Italy). Regulation of civil aviation. Radio control. Branch banking regulation. Regulation of interstate bus and trucking business.

In the class of measures which will have much consideration but whose prospects at this writing are questionable, I would place these: Railroad consolidation. Disposition of agricultural surpluses. Regulation of the coal industry. Reorganization of government departments. Shipping policies. Ratification of Turkish commercial treaty. Substitution of adjustment boards for Railroad Labor Board. Liquidation of alien property claims and American claims against Germany. Leasing of Muscle Shoals for fertilizer production. Some measure of postal service reorganization to pave the way for rate reductions next year.

In a third class of measures which, regardless of merit, do not at this time appear to have good chances of passage at this session, I would put these: Tariff revision. Retail price maintenance. Merchandise misbranding. Federal blue sky law. Bankruptcy reform. Prohibition revision.

These classifications of prospects fail because of brevity to indicate the possibility that even though a big issue may not be settled, yet some component part of it may be disposed of.

Any bill which fails of enactment at this session will hold its relative parliamentary position until the next session in December, which will pick up where this session leaves off. My best guess is that the present session will adjourn around the middle of June.

Taxes

The Senate will debate the tax bill this month, and leaders' plans are to pass it, then rush it through the stage of necessary compromise between the two houses, and make it law by March 1. This is a close schedule, dictated by the desirability of having the new law applicable two weeks before tax returns covering 1925 and payment of the first quarter instalment of taxes is due March 15. Even if it is successful, the tax collecting authorities and taxpayers will be embarrassed in making their returns, due to the changes in rates, exemptions and earned income allowances, and the revision of a number of technicalities by which profit and taxable income are determined. Expectation is that new rates will apply to individual incomes for 1925, and to corporation incomes for 1926.

Danger of Delaying Tax Bill

CONSERVATIVE Democratic Senators, led by Carter Glass, who has been through the grind as Secretary of the Treasury, are lining up their party colleagues to avoid making political capital of the tax bill. They say it already is more of a "Democratic bill" than a "Republican bill," due to adoption by the House of many ideas of Representative Garner, Democrat.

Some danger of failing to pass the bill by March 1 lies in these influences: Insistence by a number of free lance Democrats and independent western Republicans on adoption of pet views. A demand for increasing the higher brackets of surtaxes. Feeling that publicity should be retained. Argument over many technical weaknesses, as pointed out by the Couzens committee report.

The Senate finance committee has included many amendments which otherwise would cause prolonged Senate floor debate, without radically changing the House bill, and this minimizes the difficulty of compromise between the two houses in conference.

Tariff

There will be no drastic tariff revision at this session. This is mentioned here because a combination of Democrats and agricultural Republicans are *talking* tariff change. The agricultural Republicans do it to frighten the industrialists and call their attention sharply to farmers' demands for legislation affecting the disposition of exportable surpluses of agricultural products. Congressional investigation of the Tariff Commission will show up much inefficiency, which is largely unavoidable under flexible tariff law, and much internal dissension among members, which is avoidable. Sentiment for repealing the flexible tariff is growing, but I think this will not be done. Talk of abolishing the Tariff Commission is hardly to be taken seriously.

World Court, Debts

When opponents of the World Court have had plenty of time to talk (and they are doing effective talking), there probably will be sufficient votes for ratification. The same applies to approval of foreign debt settlements, with a severe fight on Italy. If the European press and public were wise, they would stop talking about the United States being a hard creditor, for members of Congress after reading these cabled comments arise to denounce Uncle Sam's leniency. The Turkish commercial treaty, which is important as a model for future treaties (like the new American-German treaty), is faced by sentimental opposition arising from the Mosul riot and Armenian atrocities, but chances favor ratification.

Alien Property

This situation is full of political dynamite which has not exploded, by mutual consent of all interested parties, but later in the session it may make a big noise. The American Government feels that it should compensate private German ship, radio and patent owners for war-time seizures. But Germany owes private American claimants for war damages, and Germany is obligated to pay the United States Government an annual sum of something like $11,000,000 under the Dawes Plan. This is all we can get out of Germany for the present, and American private claimants would seem to be out of luck.

So the Treasury, with the approval of the German Government, the German owners of seized property, and the American claimants against Germany, proposes this plan: Issue through a trustee $250,000,000 25-year bonds, guaranteed by our Government, to be paid eventually from Dawes plan annuities from Germany, and with these bonds settle the bulk of American citizens' private claims against Germany, and the claims of German ship, radio and patent owners against our government (thus avoiding the advancing of cash, which would have to come from taxes). Turn back the German property, settling partly in these bonds. German interests want this plan, or some modification of it. So do American claimants. But the American

public will have a hard time understanding the nice points of finance and of international ethics, and Congress will not be hasty in approving the plan. If not, there is real threat of a mess over the past management of the Alien Property Custodian's office. Republicans do not want a scandal, neither do the Democrats, for originally they administered the German property. Neither do the Germans—they want their property back. It is a situation worth watching.

Agriculture Additional service for cooperative marketing associations, without regulation, through a Department of Agriculture agency, will be provided without difficulty. But the big question relates to legislation on handling of the exportable surpluses of wheat and other agricultural products, to keep domestic prices above world prices. As yet, there is no agreement on method. Thought is turning away from anything resembling price-fixing, but still is hovering around a way of assessing agricultural producers to provide a fund to pay losses incurred by sale of surpluses bought at high domestic prices and sold abroad at lower world prices. Cooperatives would be involved as the principal mechanism for accomplishing this, and they would be strengthened tremendously.

Agricultural leaders themselves have broadened their interest and opened their minds to the technical difficulties. The Administration, after looking the other way for a couple of years, is now turning its attention to the problem, trying to work out a plan which will not unduly disturb the operation of natural economic laws.

One idea, now gaining interest, is based on better methods of storing and financing the surplus, thus not only taking the price-depressing surplus temporarily off the domestic market, but giving a retaliatory weapon against foreign government-controlled monopolies of commodities required by the United States. Numerous bills are pending and others are being written. I doubt whether the problem will be settled at this session, but there is a chance.

Railroads All surface indications point to enactment of the Cummins railroad consolidation bill, with many modifications, to require railroads to consolidate within three years into a limited number of large systems, grouped voluntarily, with approval of the Interstate Commerce Commission. A real emergency exists, based on the need for reorganizing rates and stabilizing earnings, and recognition of the emergency situation provides strong push for congressional action. But there are so many differences of opinion over the important details of how this is to be accomplished, and over the time limit (three years is probably not enough), that final enactment at this session is not assured.

If the entire program can not get through, then perhaps some part of it will be enacted, such as repeal of the mandate that the Interstate Commerce Commission shall proceed to promulgate its "ideal plan" for consolidation. This would leave roads freer to go ahead with consolidations even without comprehensive legislative guidance.

The prospects are favorable for passage of a bill to subject interstate bus and trucking traffic to regulation of the Interstate Commerce Commission, with the cooperation of state commissions. The bill to stop the practice of permitting railroads to charge less for long hauls than for short hauls to meet water competition is gaining support, but its disposition is doubtful.

Coal There are two classes of proposals: (1) To establish a government fact-finding agency and thereby shed white light on the coal industry for the guidance of future public policy; (2) To give the Federal Government authority to manage the industry during strikes or other emergency. If Congress is not satisfied with the anthracite situation, action will be expedited. If Congress is satisfied, it will settle back with a sigh of relief and put off coal regulation to some future year. Congress hates to prowl around in a full coal bin.

Radio Radio regulation will be placed in the hands of the Department of Commerce, although there is much dispute over the amount of power to be granted. This regulation is as basically as important as our early anti-trust laws.

Aviation There seems to be no doubt that Congress will authorize establishment of a Bureau of Civil Aeronautics in the Department of Commerce, to promote commercial flying by helping to lay out air routes, establish landing fields, work up regulations and safety codes, and to promote research. Many cities are already beginning to plan extensive landing fields.

Banking Interest in the McFadden-Pepper bill to permit branch banking by national banks within communities, and to restrict future extension of branch banking, is distinctly broadened. It is no longer considered merely a "bankers' bill," but is being recognized as a vital problem for industry and commerce. It probably will be passed, provided its proponents do not insist on using admission to the Federal Reserve System as an absolute check on future development of branch banking outside natural communities. It might even pass anyway, but the difficulties in the Senate would be great.

Coupled with this is the growing recognition that our entire dual system of state and national banks, competing yet cooperating, needs to be studied. Where is our banking system going? Is there a natural line between the two systems which should be maintained? These and allied questions will have much attention from the public and from Congress in the next few years.

The bill to prevent bankruptcy frauds is considered meritorious by most members of Congress, but there is not yet sufficient organized strength behind it to insure passage. The same applies to the proposed federal blue sky law to regulate issuance of securities.

Postal The postal system is in for a searching scrutiny to determine whether expenses cannot be reduced by reorganization of rural and city delivery methods, and in other ways to pave the way for lower postal rates in the future. The ques-



TAKEN ESPECIALLY FOR NATION'S BUSINESS BY C. H. BUCKINGHAM CO., WASH.

Washington is full of wonders. It is not merely the home of the President and the meeting place of the Congress. It houses many artistic, scientific and business societies. Here is the main hall of the new Academy of Science Building. In the center is a Foucault Pendulum, which demonstrates the rotation of the earth

tion will be acute in April and May. Organized mail users and farmers' associations are now making constructive suggestions for cutting costs of operations. I doubt whether a new schedule of permanent lower rates can be fixed at this session, although the problem may be half solved.

Muscle Shoals Everyone is tired of fussing about Muscle Shoals, but fuss some more we must. Congress wants to lease the plants for private operation, and several industrial groups want them. But for fertilizer or for power? The President says for fertilizer, the farmers say for fertilizer. The fertilizer industry says it already has unused capacity, and that fertilizer from Muscle Shoals is not needed. There is some doubt as to whether the Government needs the plant for nitrates in war time (though no whisper of this is made publicly). The situation is very tangled.

Shipping If there ever was a muddle of merit and sectional politics, it is in the formulation of a merchant marine policy. Fine plans have been thoughtfully worked out, bills introduced, and authoritative predictions of passage freely made. I fear they are based on hopes. I doubt whether the American public is sufficiently intelligent on the needs of a strong, efficient American merchant marine to forego wrangling over matters of sectional advantage, port preferences, etc. The time will come, but it is not here yet, and serious students of merchant marine problems often overlook the still-dominating local political influences. The administration of government ships may be taken away from the Shipping Board, and given to some Cabinet committee dominated by Secretary Hoover, but at this writing I cannot foresee the chances of much other final action at this session.

Retail Price Maintenance The current referendum on this subject by the Chamber of Commerce of the United States has stirred up much interest in the business world, but Congress is still uninterested. The same is true of various pending bills to prevent misbranding of merchandise.

Railroad Labor Present chances favor slightly the substitution of a system of adjustment or arbitration boards for the Railroad Labor Board. Labor unions and some railroad executives have agreed on it.

Foreign Trade There is the British rubber monopoly, with its government-controlled limitation of supply, which we are trying to break by (1) reworking our old rubber, (2) looking about for supplies of our own, (3) threats of retaliation, through American wheat, for example, and (4) talk. Congress is contributing the last, through an investigation. The real purpose is not merely to break the rubber monopoly, but to tackle, one by one, the dozen or more foreign monopolies in raw materials sorely needed by the United States (potash, nitrate, sisal, etc.), and to make foreign governments "get out of this monopoly business." We can't break the rubber monopoly in a year, but we can begin. We can pass a pending bill to legalize cooperative import purchasing organizations, like the export corporations under the old Webb-Pomerene law, and perhaps Congress will do this. It is too early to predict.

Public Buildings Congress is in a mood to approve a fixed long-term public building program, which will be a factor in future business conditions. This also is one of many reasons why congressional appropriations for the future trend slowly upward, not down, from year to year.

Federal Censorship of Films Nothing will be done. *Commercial arbitration*—A federal law is on the books, no amendment is sought. *Federal census of distribution*—Appropriations may be sought toward the session's end, but probably not until next year. *Abolition of Federal Trade Commission*—No chance of this. *Corn sugar*—Look for a fight in which farmers will be active, to permit corn sugar to be called "sugar," a very important issue for both farmers (pro) and the sugar industry (con).

Interpreting the Tariff Act

By WILLIAM W. HOPPIN

Former Assistant Attorney General of the United States

BOTH the farmer and the manufacturer seldom realize that the enactment of a tariff act marks only the beginning of a long fight to determine what its various provisions mean.

Laws are not self-executing, and the tariff law is no exception to this general rule. This law is presumed to be written according to what the persons dealing in the particular commodity in question understand that term to mean. Is a whale a fish? Are cherries pitted the same as cherries such as you and I know them? Is a pimento a whole pimento when its insides have been removed? What is colored cloth? These are only a few of the many questions with which the Government is daily confronted in its effort to protect the revenue and to obtain a just interpretation of the tariff act.

The law permits and even encourages the importation of foreign goods into this country. It is, therefore, only just that the importer as well as the domestic producer should be given an opportunity to prove the true value of imported merchandise.

To accomplish this, an elaborate machinery has been built up by means of which both sides to the controversy may try out their rival claims. Suppose an importer believes that the Customs are putting too high a value on his goods. Under the law, he can take an appeal to the Board of General Appraisers, which functions as a Customs Court. If he can prove his contentions, a new value will be fixed for this merchandise for dutiable purposes, which will be binding on all customs officials.

Or, again, suppose the American manufacturer believes that competing imported products are being admitted free of duty when they should be dutiable, or at too low a rate of duty. An opportunity is given him to prove his contentions.

In every large city, members of the Board of General Appraisers hold hearings on these and other questions of the greatest importance to the public, and often, upon their determination, will rest the success or failure of a business enterprise.

To cite an instance of a case that is of interest: You know how a fish changes its location. For some time, halibut was caught near the Port of Seattle, and most of it was shipped there, and from there distributed throughout the United States. Presently the halibut moved further north, until now, the fleet catches its fish in the Behring Sea. The nearest and most convenient port is in Canada. Fish caught by American boats are admitted free of duty. How could this be done, when they come from Canada?

The problem was solved by placing an American inspector at the Canadian port, who saw to it that the fish caught in American boats were segregated from those caught in Canadian boats. They were then shipped to the United States in sealed cars, and there allowed to enter free of duty. Thus the American fishing industry was protected.

Most questions are not so easy of solution. A rate of duty, based on the value of the merchandise, is of little use if that value is wrong. And duty placed upon certain classes of merchandise is not of much account if that very merchandise is placed by judicial interpretation on the free list or in the wrong paragraph.

It is to importers' interests to have their merchandise admitted either free of duty or at as low a rate of duty as possible, and to accomplish this they employ lawyers who are experts in all branches of the tariff law. To most American producers, the customs administration and procedure is an unknown quantity. They consider that they have done their full duty when the merchandise, which they produce, has supposedly been covered by one of the dutiable paragraphs of the tariff act. The Government is thus left to its own resources, to defend as best it may, these very same interests who take such little concern in their own affairs.

The Assistant Attorney General, with a small staff, strives to prepare and present the multitude of cases that come before the Customs Courts.

Domestic interests can help this government staff by furnishing proper witnesses and by having trained customs attorneys to represent them. It is beside the point to argue whether or not we are for or against the policy of protection. It is enough to say that there is a tariff law on the statute books that can only receive a proper interpretation when all those who are interested will join in its interpretation and enforcement.

When they do awaken to the proper realization of the facts, we will be far better able to judge as to whether the law, as at present written, fulfills the needs of our country's business, both foreign and domestic.

The Postal System—How Businesslike Can It Be?

By M. D. FOLLANSBEE

Of Follansbee, Shorey and Schupp, Chicago



In the days of the horse, this rural mail carrier covered his 24-mile route in a little less than nine and a half hours and received $600 a year. Today the same route, except that a macadam road has been built, is served by a carrier in an automobile in three and a half hours. His pay is $2,400 a year

WHY CAN'T the Government be operated on business principles?

As a business man with a fair knowledge and understanding of government, I'm inclined to answer:

"Because it ought not to be."

I sometimes ask myself when I hear speeches about "more business in government" if we are quite clear what we want. We want better methods in government, but do we really want the Government run like an individual business?

A veteran and keen-brained government worker once said to me:

"Government can't be like business. It oughn't to be. If I want to go to New York in a hurry, I can stop on the way to the station, buy a tooth brush, a clean shirt and collar, and be off. I can hire an aeroplane if I have the money.

Government Can't Cut Corners

"BUT GOVERNMENT can't go to New York that way. Government must proceed in a fixed orderly method. It's spending your money, and it must account to you. It must buy its shirts and its transportation in a regular manner.

"It can't cut corners. It can't be 'efficient' at the cost of fixed rules, the rules that you business folks decry as 'red tape.'

"And you would be among the first to cry out if it did."

All of which set me thinking at the time, and all of which I recalled after reading "Our $42,000,000 Postal Deficit," by Postmaster-General New, in November's NATION'S BUSINESS.

I think my friend, the government employe, was right. Government has an overhead which business has not. Much of it is unavoidable, and much of it is, perhaps, useful, but I always think of it as one of the strongest reasons why government should go into business just as little as possible.



Government can't compete with private business for another reason. There is, and I'm inclined to think that there must be, a difference in the method of employing men and dealing with them when employed. If need be, a private business can bid against others for men; it can move men up and down the ladder of employment; it can give rewards for special work.

All this Government can't do. In NATION'S BUSINESS, Postmaster General New asked and answered the question:

"Why not apply the methods of the United States Steel Corporation to the Post Office?"

But I don't know that he gave all the answer.

What if the Steel Corporation's operating charges were permanently increased 15 or 20 per cent in order to take care of the friends of the directors and the pet ideas of a group of influential stockholders? How long before the corporation would be in receivership? Or suppose the management of a company with a thousand travelers should decide that the employes in New York, Chicago, Detroit, and other great centers deserved pay increase due to higher living costs, and three or four hundred directors ordered a flat advance to everybody.

"But we are now paying the men in the small towns and rural districts more than the local rates; they are more than satisfied; there are a dozen applicants for every one of their jobs," says the management.

"Raise all of them everywhere even if they don't expect it and don't deserve it," is the answer.

Yet that is what happened in the Post Office Department over the protests of the Postmaster-General and the President of the United States. The wages of postal employes were raised indiscriminately, and there was added sixty-eight million dollars a year to the pay-roll, of which only a small part was really warranted.

The extra burden of overhead due to government is not restricted to Washington. As an example, the Post Office pays for use of postal cars on a mileage and capacity basis. Without giving actual names of towns and railways here is a case:

Chance to Save $50,000 a Year

A CARLOAD of mail, not first class, leaves St. Louis for the South over the Missouri & Southeastern to the road's terminus, 400 miles, daily. During the greater part of the year, the railway carries little northbound fast freight and the car is returned empty. The Post Office Department pays full charges both ways, about thirty-five cents a mile, or $280 round trip, rate fixed by Interstate Commerce Commission.

Paralleling the Missouri & Southeastern is the Mississippi & Gulf Line, running all the way to the seaboard, and carrying heavy shipments of fruits, vegetables and other perishables from the South nine months in the year.

"If you'll let us haul that car of mail, we can save you about half," the Mississippi & Southeastern solicitor tells the post office people. "On account of our perishable freight all being northbound, we are forced to haul empty refrigerator cars south. They can be used for your mail shipments. Coming north our cars are loaded and you save any charge for empties.

"But more than that, we go all the way to the Gulf and can carry that mail straight through. As it is now you have to transfer from the car at the end of the Missouri & Southeastern Line, and in doing so, you have the added expense of handling and breakage."

The change would have saved the Government $50,000 a year. The traffic man of a private corporation would have jumped at it! As for the Post Office Department it

declined the chance to save $50,000 a year on a freight bill. Why? You will find the answer in that item of Political Overhead. It did not occur under Postmaster-General New.

The Postmaster-General has the responsibility for postal service, but he has no authority whatever as to the pay of any of the men working under him and railway rates are fixed by the Interstate Commerce Commission. As he says, 89 cents out of every dollar used by the Department goes to salary and transportation. He is in the position of a corporation head whose directors tell him to operate the business and meet charges, but they will decide how 89 cents of every dollar is to be spent.

Annual Loss of $88,000,000

CONSIDER the rural free delivery system, a development of incalculable value. Last year $4,000,000 worth of postage was paid for mail collected on rural routes and $8,000,000 for mail delivered, totaling $12,000,000, as against a rural delivery salary and operating account of $100,000,000. Annual loss, on the simplest of figuring $88,000,000 and the Department's method of meeting it is to make the profit-earning parts of the service pay more.

Says Postmaster-General New on this point in his article:

> Reverting for a moment to the advice to apply the methods of the United States Steel Corporation: What would its directors do if they found their prices were failing by forty million dollars to meet their expenses? They would do just as they have invariably done in time past—readjust their rates to make them produce a favorable balance.

If, by that, the Postmaster-General means that the Steel Corporation would overcome the deficit by increasing prices, I venture to say he is in error. That's a dangerous method in a competitive business.

What the Steel Corporation would do would be to find the waste that had been permitted to make their production, distributing, and sales charges too high. And this waste would be stopped mighty soon, or the directors would soon find new executives. In the Post Office's case the directors, the House and Senate of 1916, definitely blocked the management's effort to stop an unnecessary expense.

In the days of the horse the standard length of a rural delivery route was fixed at 24 miles. Taking one actual route as an example, in 1906 the carrier was paid $600 a year, maintaining two horses and covering the route in a little under nine hours.

Today exactly the same route, except that a macadam road has been built, is served by a carrier in an automobile in three and a half hours. His pay is $2,400 a year. He gets fifteen days' vacation annually; also ten days' sick leave, cumulative for three years; and seven holidays a year in addition to fifty-two Sundays.

A dozen men in that community are ready and willing to take the job. Yet this carrier's wages were increased because the high cost of living in New York, Detroit or Los Angeles honestly justified an increase to those men in those communities. Sixty-eight million dollars was added to the Department's annual expenses. All that was left for Mr. New and the Post Office Department to do was to meet the deficit. Raising the rates was the method used.



FROM HARPER'S WEEKLY, SEPTEMBER 19, 1868

As pointed out in Mr. New's article, he has no authority to fix the pay of a man in his Department. Congress—any Congress that happens to be in session—does it.

Members of Congress hesitate to antagonize the rural mail carriers, with each carrier making almost daily visits to the homes of 200 or more constituents. Very few members would vote to create a force of antagonistic traveling agents back home. It is really asking a great deal of any man coming up for reelection.

No, Judge Gary would not make so good a showing in the Steel Corporation if more than five hundred directors were to have final control and direction of his operations, with almost all of them having reelection in mind every time a decision was to be made.

While on the subject of rural free delivery, an investigation for the Department shows that it costs 27.7 cents a mile. At the same time the cost of star route or contract service is 13.37 a mile, almost exactly half. The star route, while it covers the same service as rural delivery, is usually in districts with poor roads and distant from railways. The carrier does not make as many stops as the rural free delivery man, but carries a heavier load, for he delivers all supplies and mail to post offices on the line. Practically none of this burden is on the salaried rural carrier, as post offices on his route have been largely discontinued.

Why pay twice as much for a service when performed by an appointee, as when done by contract? The Post Office Department cannot help itself. It attempted to substitute contract carriers for rural free delivery men, to cut down the rural free delivery and to extend the contract method; a real chance to save without impairing service. Congress blocked it effectively by passing a law that the star route service cannot be established to serve any rural population which has ever been served by rural delivery. That was how a sincere effort toward saving was blocked back in 1916.

Handling Second-class Mail

GOVERNMENTAL overhead! The estimated Post Office deficit for the year is 42 million dollars, according to Postmaster-General New. Without that 88-million-dollar gross loss in rural delivery, there would appear a surplus of 46 million dollars. The money must be found somewhere by rate increase and the Post Office Department decided to make an investigation of the costs of various services. It showed, apparently, that it was losing $74,000,000 a year in handling second-class mail,



Our rural free delivery system shows an annual loss of $88,000,000. This loss may be justified, but if it is justified, should it not be met by the country as a whole instead of being loaded on that part of the public bringing profit to the Post Office?

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newspapers, magazines and other periodicals.

The publishers come back with a statement that the government investigator's apportionment of costs, and its application to rates, is wholly wrong and that it really profited in handling their mail. In questioning the Department's methods in reaching its "cost finds" figures, the publishers said:

"Suppose the Pennsylvania Railroad has a train moving from Pittsburgh to Baltimore, consisting of five cars each of pig iron, sand, coal, grain, tin plate, flour, silk and automobiles. The accountants could find exactly what the cost in that train would be for each commodity, and these costs would be identical. Would you, therefore, charge the same rate for sand or grain as for silk or tin plate or automobiles? That was the post office investigator's method.

"The actual manner in which freight rates for the movements of such commodities are made is, first, by a consideration of the out-of-pocket cost for the specific handling, the value of the service to the shipper, and the making of the rates 'on what the traffic will bear.'" And the publishers, to a degree, are proving their contention by doing much of their own delivering.

Considered a Monopoly

THE Post Office is usually considered a monopoly. In reality, it is a monopoly only so far as first-class mail is concerned. Any one may ship and deliver newspapers, magazines or parcels. Naturally with the Government's policy of raising rates to meet deficits some of the business that once belonged to the Post Office is finding new channels. The large-volume publishers, for instance, once paid one cent a pound for delivery anywhere in the United States. Now they pay the Post Office 1½ cents for other than the advertising portion, and on the advertising by zones up to 9 cents a pound in the eighth zone. On that eighth-zone basis the California postage on *The Ladies Home Journal* would be 25 or 30 cents a copy.

To overcome this charge the publisher ships his products by freight to the distant zones and there places them in post offices as first-zone matter. That is one method of overcoming what would be a prohibitive cost. It illustrates that you can meet deficits by increasing rates up to a certain point and then necessity will drive the customer away. Another plan is to use freight shipments to a central point, say Indianapolis for Indiana, and then distribute by agents over bus and trolley lines for hand distribution, not using the postal service at all. That also in many cases costs less than postage.

One of the largest publications distributes 70 per cent of its entire volume without having a pound of it go through a post office. Carrying these publications has grown to be one of the great and highly profitable plums for the transportation companies' traffic solicitors.

Some of these publications with the largest circulation are issued in editions weighing a pound or two each. The second-class rate is by the pound, but it applies to a small 4-page bulletin or news letter, regularly published, as well as to the 2-pound magazine. In some cases it takes fifty or seventy-five of these leaflets to weigh a pound and the postal charge for delivering them to fifty or seventy-five individual addresses is two cents or four cents, according to the zone, for the whole lot.

To a business man it would seem far more profitable to deliver a 2-pound magazine to one address at four cents than to leave two pounds of 4-page leaflets at a hundred or a hundred and fifty homes.

The 2-pound men say they cannot afford to pay four cents a customer for post office service and do most of it themselves. The post office loses the revenue, although its carriers are covering the routes every day. The 4-page man, with fifty addresses to the pound, knows he could not deliver for ten times the Government's charge to him so he lets the post office have his unprofitable business.

Next take the case of private mailing cards where the rate was increased from one cent to two, while the government post card remained at one cent. Here the result was to eliminate largely the use of the private cards, and go to one-cent post cards. When a private card was used, the sender furnished the paper and the printing, a saving for the Government. Now, with the almost universal use of the government card, the Post Office gives the same amount of service, but must pay for all the paper stock and printing.

Nothing shows more clearly this tendency of the effect of more or less arbitrary rate increases than the testimony of Postmaster-General New before a Committee of Congress last July. Quoting from Mr. New's statement in the official report:

> The increase of the rate of private mailing or post cards from one cent each to two cents each, while the one cent rate for the government postal cards has been continued, has not only proved to be inconsistent, but fails to bring in the additional revenue which Congress anticipated from this source. Many persons and concerns formerly using private mailing or post cards have discontinued their use and in lieu thereof are using the government postal cards. Among those who have done this are many public utility corporations. Thus, in such cases, the Postal Service does not only fail to get any additional postage but suffers an actual loss of revenue, since the Government furnished the paper stock upon which the messages are sent, instead of merely an adhesive postage stamp as in the case of private mailing or post cards which the users themselves apply.

The provisions of the act of February 28, 1925, making changes in the rates of postage, which has caused the most widespread criticism, is that of increasing the rate on newspapers and periodicals of the second class when mailed by others than the publishers or news agents—that is, by the general public. Here again the expectations of Congress as to additional revenue have not been realized, for the numerous communications received from postmasters and the public throughout the country show that there has been an enormous decrease in the quantity of matter of this character mailed by the public. The increase in rate is indeed most radical. Formerly a publication weighing over two ounces but not in excess of four ounces could be mailed by the general public for one cent. Formerly a copy of a Sunday edition of a metropolitan newspaper weighing usually between one and two pounds could be sent by the general public anywhere for from five to eight cents. Now the charge ranges from eight cents to places in the first or second zone to 26 cents to post offices in the eighth zone.

A comparison of the number of pounds of second-class matter, mailed at the publishers' pound rates and the postage collected thereon during the quarters ended June 30, 1924, and June 30, 1925, at the post offices at which 60.34 per cent of all second-class matter is mailed is here shown:

	Weight (pounds)	*Postage*
Mailings during quarter ended June 30, 1924	205,012,125	$4,790,756.18
Mailings during quarter ended June 30, 1925	196,637,540	4,695,638.49

Giving Away Service

I AM DISCUSSING this as a business man, not necessarily as an expert on transportation in general or on that form in particular which has to do with carrying mails. Certain things seem evident. One is that you can't get rid entirely of this overhead of Government. There seems to me a lot of sense in a declaration made by the Chamber of Commerce of the United States that:

> Postage-rate revision should be based on a scientific determination, due consideration being given to requirements of the financial program, cost of operation, and fixed charges on plant and equipment, including interest, maintenance and depreciation.

The Post Office is giving away service in rural free delivery, in franking privileges, special rates to scientific, religious and "non-profitmaking" publications that are plain subsidies.

You who are demanding business methods in the Post Office and asking it to carry a permanent political overhead charge, also expect it to make a great annual gift to the people and yet overcome a deficit.

I know of no business executive who would assume the responsibilities of a corporation under parallel conditions and agree to run it on a business basis.

A HIGH AUTHORITY SPEAKS

"THE LAW now authorizes the Postmaster-General to create, to extend, to consolidate, to lengthen, and to shorten the (rural free delivery) routes, and it provides the payments which may be made for service on different lengths of routes.

"If I were the Postmaster-General—and I am not saying this in criticism of the Postmaster-General or of anybody else—I would proceed immediately to the extent of my ability, with the powers I had, to consolidate, lengthen, shorten, and everything else, and by so doing, I could save an average of $1,000 on every route that is consolidated, and without cutting anybody's pay.

"Today the rural carrier who has an automobile does his work in two hours, and there is no reason why he should not be engaged all day in the service, because he gets $2,137 for doing what he does.

"I could save many millions in the reorganization of the rural routes."

MARTIN B. MADDEN,
Chairman, House Appropriations Committee

The Business Man's PRIMER

2



E Is for Economy
Stay on the right key
If you dont hit the low note
You'll hear from C. C.



F Is for Federal
Publicity of Taxes
It pleases the Peepers
But butters no parsnips*
(* There is as much rhyme in this as there is reason in the law.)



G Is for Golf
Very healthful they say
If done in a moderate
Cursory way



H Is for Hokum
(That will all things mend)
Of Senator Soakum
The Peoples' Friend

Charles Dunn

NATION'S BUSINESS

Published by the Chamber of Commerce of the United States

MERLE THORPE, Editor

Washington February, 1926

Russia's Problem and Ours

THE ADMINISTRATION in the United States and the Communistic party in Russia face a common problem. The purchasing power of the farmer must be restored. The clamorous discontent of the Mid-west prompts an effort to find a remedy, or a palliative, before the next election.

In Russia the existence of the soviet government hinges on finding a real solution of the problem. The Russian peasant listens stolidly to official explanations—the capitalistic war, the capitalistic blockade, the lack of the much desired capitalistic world market, illustrated with price indices and illumined with hope of improvement.

But he doesn't understand. All he knows is that it takes three poods of rye to buy the manufactured things that used to cost him one pood, and he wonders.

"This Workmen and Peasants' Government may be all right, but the town workmen seem to get all the wheat, and we peasants get nothing but chaff."

And when the peasant speculates, the soviet leaders worry. Their power eventually rests on the acquiescence of the peasants, and they know it. They have abandoned one after another of their communistic principles to placate the peasant.

It's a strange world! Trying to solve the same problem a capitalistic state is urged to radical legislation, and a communistic state is forced into a retreat toward capitalism.

Dollar in Dividends; 69 Cents in Taxes

"THE SINEWS OF GOVERNMENT" is the title of an article in a little family magazine printed by Standard Oil of New Jersey for stockholders and employes; and the theme is that this thing which "is ignorantly called a trust," isn't exactly a menace.

"We are doing our bit," is about what the "Octopus" is trying to say. In 1917, for instance, it paid $1,634,000 in federal taxes; and the next year the bill jumped to $24,369,000. In the last five years the total tax bill was $114,000,000.

And Standard Oil drives home its argument with the declaration that for every dollar it has paid its shareholders in five years, it has paid 69 cents in taxes to government.

Well, it is a paradoxical world. Twenty years ago the "Octopus" was robbing a helpless People; today the People rob the "Octopus."

The Cost of Nursing a Sick Industry

A COAL industry in distress is highly costly. Last summer, to get a respite in the face of critical difficulties in the British coal industry, the British Government undertook to mete out of the public treasury the cost of keeping the industry going for nine months, while an official coal commission tried to arrive at recommendations as to ways in which the industry could be got back upon a self-supporting basis. This temporary subsidy has now been calculated by the British Government as certain to cost it well over $100,000,000.

Meanwhile, the British Coal Commission is holding hearings. That costs should be reduced most of the witnesses seem to agree. The differences of opinion come as to where the reductions should occur. Incidentally, however, attention is being given to some factors in which British practice differs from our own. For example, a question has been raised about the size of the coal cars used in England. Large numbers carry only eight or twelve tons. Substitution of cars which would carry at least twenty tons, it is said, would reduce the cost of handling coal on the railroads by 20 per cent.

As England Sees U. S.

"THERE is a spirit abroad in the States which is sometimes referred to as the 'new leadership' and it is a spirit of cooperation, of initiative and of a 'square deal' on both sides. This spirit alone goes far to explain the amazing increase in the efficiency of American production."

Sounds like part of a speech by some patriotic American booster, doesn't it?

But it isn't.

Just an excerpt from the report of the mission sent to America by the Federation of British Industries to investigate the industrial situation here.

There Ought to Be a Law

WHO CRIES the loudest for fewer laws?

The business man!

Who cries the loudest for more laws to help him whenever he's in trouble?

The business man!

Perhaps that isn't true, but sometimes we feel that way. We have just been moved to that feeling by reading an account of legislation proposed for one or more southern California communities and reported by the *Dry Goods Economist*.

House-to-house selling is a thorn in the side of the retailers in many towns, and here's this latest way to remove it:

Pass a bill which makes the salesman furnish a list of the correct names and addresses of every one upon whom he intends to call the next day. Then the list is censored by the city clerk, to whom any resident may write saying that he or she does not wish to be bothered by canvassers. Such names are stricken from the lists.

Ingenious, perhaps constitutional—perhaps not. But will it defeat house-to-house selling if that be a desirable, economic way of selling goods? Probably not. If the public wants house-to-house selling, it will have it. If the public gets what it wants better and more cheaply from the local retailer, whom will it patronize?

There's only one answer to house-to-house selling, and the answer isn't a law.

Why Worry About "Publicity"?

ALBERT R. ERSKINE, president of Studebaker, has declared himself against free publicity for automobiles in periodicals. In one paragraph of his declaration he says:

"There is no more reason why you should print pictures of automobiles than of pianos and washing machines. Gossip of the automotive trade is no more entitled to space than gossip of department stores."

Agreed! But aren't we, in all this hullabaloo about free publicity and press agents, overlooking the person chiefly concerned, the reader? If Mr. Erskine puts out an automobile, novel and unusual in appearance, and the editor thinks that a fair proportion of his readers would be interested in it, doesn't he owe it to them to print a picture of that car?

Put it this way: If Studebaker or Dodge or Rolls Royce or Ford presents a car so different that folks on the street stop to look at it, that groups gather around it when it parks, isn't the appearance of that car news?

The answer is "yes." The editor is culpable who prints a thing because it is advertised or leaves it out because it isn't.

The ethics of "publicity" seem easy to define, but the application isn't always simple. Mr. Erskine speaks of denying or refusing space to the "gossip of department stores." In cities small enough it may be printable news that a new clerk has been engaged by the department store. If Marshall Field's and Wanamaker's combine, the news might find its way into the London *Times* and the *Berliner Tageblatt*.

Editors get cross-eyed keeping one eye on the advertiser and one on the reader, instead of both on the reader.

A St. Patrick of Industry

THE DUTIES and the tasks of modern business are many. Men who make steel must also run cafeterias and hospitals, and deliver speeches to luncheon clubs.

Killing rattlesnakes seems a little out of the picture even for the most up-to-date of industries. But the American Telephone and Telegraph Company, which makes it possible for you to sit in New York and talk to San Francisco, can kill rattlesnakes when that job comes along.

A report from the Long Lines Department tells us that the men who were building the Dallas-El Paso section killed "more than 500 of these snakes, ranging from one to six feet."

Names

IN ITS campaign to simplify and standardize, the Department of Commerce summoned publishers and advertising agencies and statistical bureaus and others to gather around and consider the standardization of trade names.

A subject full of difficulties. Men are always seeking new names for old trades. Shall we discourage or encourage them? Real estate dealers—at least some of them—are realtors; electric contractors want to be electragists; and the poorest would not be buried by an undertaker, but demands a mortician.

Shall we check this impulse, shall we regulate it, or shall we encourage it?

Perhaps every one ought to be urged to choose whatever name for his calling he prefers.

If the business man who presses our trousers decides to call his plant a "pantorium," he may only be striving to lift himself above the level of his trade. Just the other day we saw the sign of a "painless extractionist." Hasn't a barber a right to be a "tonsorialist," and a bootblack an "orthopedic illuminator?"

Glowing names like these may delight their users. Shall Government check their use?

In this land of opportunity no one urges the cobbler to stick to his last. Why insist that he stick to his name?

Too Many Organizations?

TWO TRIBUTES to trade associations:

Colonel Willey and Mr. Locock, who visited the United States in the interest of the Federation of British Industries, reported that one cause of American industrial success was the trade association, adding "The habit of meeting together frequently and exchanging experiences has proved to be of the greatest value to American industry." And further, "the leaders are much more ready in the United States than with us to take an active part in the work of these associations, even at great personal sacrifice."

Second tribute:

O. H. Cheney, vice-president of the American Exchange-Pacific National Bank, recently told the Sheet Metal Ware Association that the time was near when a business man's membership in a trade association will be an important factor in his banker's judgment of his credit rating, for, he explained, membership was a test of character since it showed ability to get along with one's fellow-men. Furthermore, said Mr. Cheney, membership shows intelligent business methods, and in general the soundness of the industry.

Too many organizations? Not a bit of it. Too many poor organizations? Of course. There are too many bad apples, too. But there can't be too many organizations which have a worth-while, definite purpose to accomplish and go at that job intelligently and economically.

Business Language

THE MANCHESTER *Guardian* speaks of industrial plants being "put down." A similar paper in this country would of course say "put up." An interesting note to anyone concerned with the ups and downs of the building trade.

The Modest Requirements of a Secretary

WALTER D. BURR, who is president of the Wire Bound Box Manufacturers Association, talked to the Business Secretaries Forum out in Chicago the other day, and said that among other things a successful trade association secretary should

Be something of a financier
Know something about advertising
Know the rudiments of accountancy
Know something about statistics
Have initiative
Be something of an orator
Have political ability
Be something of an author

These are requirements not much more than we expect from a President of the United States.

Dollars and Marks

A THOUSAND marks due from a German to an American on a date before the United States declared war on Germany, and payable in the United States, give the American a claim now at the rate of exchange current at the time the debt was due, the Supreme Court has held. When the contract to pay was broken, through nonpayment on the due date, the Court said the American had a claim in the United States, not for the debt, but at its option for damages in dollars, and could no longer be compelled to accept marks.

The Court said, too, that as the American's right of action had accrued before the war began, interest began to run and it continued to run despite the subsequent state of war.

These decisions were made in connection with claims made by the American creditor against the Alien Property Custodian, who held property of the German debtor.

The Frog Center of the United States

"OSHKOSH, WIS., claims to be the frog center of the nation."

We record this surprising fact about an American industry with fear and trembling. Yet such is our interest and our curiosity that we cannot refrain.

What city will rise to dispute with Oshkosh the honor that goes with being the center from which "from 300 to 500 dozen frogs or frog legs are shipped *every day?*"

In an incautious moment we let a contributor say that most of the young goldfish sold in the United States are grown near Frederick, Md. Almost instantly Indiana rose to push aside Maryland's claim to be the greatest goldfish state.

And as for the tumult stirred by our saying that the first electric street railway ran in Richmond—whew! We're not over that storm yet. Half a dozen other cities protested.

Once a wise old editor said to us:

"Never use a superlative. If you do, some one will write in to tell you where there's a bigger one."

But we shall go on chronicling the interesting and the unusual and be grateful that our readers are interested enough to protest when we err.

Organizing a Hunt for Waste

A Summary of the National Distribution Conference and the Report of Its Committees

By NIXON PLUMMER



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John W. O'Leary

TWO days of the busy Christmas shopping season found more than three hundred business men, or their representatives, in Washington, threshing out a problem of vital importance to every American pocketbook.

These men were attending the National Distribution Conference, held under the auspices of the Chamber of Commerce of the United States, December 15 and 16, to consider the problems of distribution in its relationship to the complicated industrial system of this country.

The most widely known firms and trade associations of the United States, representing producers, manufacturers and retailers—the men who hold the key to this problem—were in the background if not actually on the conference floor. In addition officials were present from the Departments of Commerce, Agriculture and Labor, and from the Federal Reserve Board. Secretary of Commerce Herbert Hoover addressed the gathering and commended what was taking place, especially in regard to the proposed statistical work affecting a branch of his Department.

Definite Program Launched

FOR THE first time, as a tangible result of this conference, there has been set in motion on a large scale an almost entirely new movement in the United States. This effort to understand and to lessen the costs of distribution is work in a little-explored field.

A series of recommendations has now been approved that looks to action by business itself, by executive departments and by Congress, on a number of the varied details of distribution. Incident to the debates that occured at this conference, in the short-worded speeches of business men, one thing stood out. It was the inability to reach any agreement to recommend changes in the Sherman, Clayton and Federal Trade Commission Acts. One of the reports contained references to these measures which provoked a brief but hot discussion. After the subject had been debated, and the controversial matter had been removed, the conference adjourned with a definite program launched, completing what it had initiated in meetings last January when the committees to study this question were created.



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Owen D. Young

A picture of what confronted the conference when it assembled is furnished by the titles of the six reports, which had been prepared for its consideration, as follows:

I. Collection of Business Figures as a Means Toward Accomplishing Economies in Distribution.

II. Trade Relations, or the causes of friction between wholesalers and retailers which make expense.

III. Market Analysis—Advertising and Advertising Mediums.

IV. Expenses of Doing Business, or the costs, tangible and intangible, of distribution.

V. Methods of Distribution, or the channels through which commodities pass, and their diversified character.

VI. General Conditions Affecting Distribution, or legislation and litigation.

John W. O'Leary, president of the Chamber of Commerce of the United States, opened the conference. In his address, he hinted at the tremendous nature of the subject when he said that it has been estimated "that the people of the United States pay every year for the goods they buy at retail from twenty-five to forty billion dollars." Mr. O'Leary added that the wholesale price of this merchandise is about 70 per cent of the retail price, while the manufacturer's or producer's price amounts to about 80 per cent of the wholesale price.



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A. Lincoln Filene

"The expenditure of so vast an amount of money," he said, "opens the door to waste and extravagance, the responsibility for which is probably shared to some extent by both producer and consumer."

Mr. O'Leary referred to another element of distribution cost in which periodical fluctuations in the volume of business result "in costly stagnation and unemployment," with consequent failures, oftentimes adding an immeasurable expense. Multiplication of unnecessary sizes and varieties also were described as important items of cost entering into what the consumer pays.

Uncovering all the waste, according to Mr. O'Leary, must come "through cooperative effort and collective action, and for the common good," always realizing that the conditions have been produced over a period of thousands of years.

"The consumer," it was pointed out, "does not take into consideration the multitude of processes necessary to convert the raw material into the finished product and place it in his hands. A bushel of wheat sells for only a trifling part of the cost of the bread which is made from it. The conversion of a ton of steel into pocket knives is accompanied by an enormous widening of the price margin."



DRAKE STUDIO, CHICAGO

L. D. H. Weld

Mr. O'Leary predicted that the country is "on the threshold of an era of intensive business" when the individual distributor must meet the pace or most certainly fall out.

Theodore F. Whitmarsh, chairman of the conference, declared that the public should be brought to understand that the subject of distribution "is a separate function and should be viewed apart from the other two functions of business—production of raw materials and manufacture of finished products—and be separately considered." He thought if the conference did nothing more than call attention to the nature of the problem, it would have served a good and useful purpose.

It was regarded as a remarkable fact that only one of the reports aroused determined opposition although conclusions were expressed by some of them that were not entirely in conformity with some common beliefs.

One of the most important results was the continuance of Committee Number 1 on the collection of business figures on distribution. Secretary Hoover emphasized the need for these as being the only means by which business men might be guided in their policies and, as one observer described his speech, "the fluctuations in the business cycle be minified."

The Secretary declared that the American business men in this conference were "getting constructively at one of the most difficult problems we have to deal with," and he emphasized that, with regard to distribution, there is a great lack of fundamental information, a fact which he had noticed was dwelt upon in each of the six reports. He announced his approval of a census of distribution. This would have to be authorized by Congress and would give much of the elemental data. That alone, the Secretary believed, would make the conference worth while.

Information on Distribution

THIS first report was presented by F. M. Feiker, vice-chairman of Committee Number 1 and operating vice-president of the Society for Electrical Developments in the absence of the Committee Chairman, Owen D. Young, chairman of the Board of the General Electric Company. Mr. Feiker made a hit by crediting Mr. Young with insisting upon setting up an ideal for gathering information on distribution, "flowing as a stream from its many sources and many

branches to a common pool of ordered knowledge."

Mr. Feiker called special attention to the importance of proper coordination of statistical data to prevent development of the several government agencies that gather information. One speaker touched on a point of intimate interest when he criticized the constant receipt of requests for data from various branches of the Government at Washington, which takes up time and also adds to the cost of distribution. Mr. Feiker pointed out that the Census Bureau, in all of its operations, has never been authorized to enter the field of distribution of commodities by wholesale and by retail.

Dr. W. M. Steuart, director of the Census Bureau, said that in the absence of general authority to furnish the information the only alternative was for the individuals themselves to assemble it and supply it to a central office from which it can be distributed. He appealed for local organizations and chambers of commerce to take an interest in the subject and show where to start in collecting data, as between the producing and distributing ends.

Viewpoint of the Consumers

ONE OF the speakers was E. T. Meredith, former Secretary of Agriculture, who declared no movement is so important to business as this. Former Representative Sidney Anderson, of Minnesota, also discussed the statistical needs, and said that much of the result of the conference would be found in greater economy of production.

The report of the Committee on Trade Relations, of which A. Lincoln Filene, treasurer and general manager of William Filene's Sons Company, Boston, was chairman, was accepted by students of distribution as "the ablest document ever prepared on the subject." It contained suggestions for the solution of most of the misunderstandings and complaints which arise between manufacturers, wholesalers and retailers.

Mr. Filene told his associates that "we must not lose the viewpoint of the consumers whom we serve." He said that efforts to improve business dealings "must look to getting rid of unethical practices," and that his committee felt they were laying "a worthy corner-stone to a new economic edifice" in proposing the Joint Trade Relations Committee.

This was described in the report itself as "a body to be composed of an equal number of producers and distributors, including adequate representation of the consuming public." A Clearing House for Complaints is to be established to conduct research into trade abuses and into codes of ethics intended to cure such abuses; to stimulate development of ethical codes and methods of settling disputes; assist in developing accord between producers and distributors by substituting confidence for distrust; and serve as a medium for joint action by these to eliminate wastes.



WILLOT, MEMPHIS, TENN.

Robert R. Ellis

"Conciliation and arbitration," read one of the recommendations, "are acknowledged by honorable business men who wish to fulfill their agreements as the best means for settling disputes of a commercial nature since they are both inexpensive and permanently satisfactory in their results."

Here are a few of the causes of disputes referred to by Mr. Filene's committee: cancellations of orders, failure to deliver promptly, arbitrary changing of prices after goods have been ordered, marking of wrong sizes, sending merchandise not ordered, abnormal extension of credit, attempts to evade contractual obligations. All of these entail expense, it was pointed out, that enters into the cost of distribution.

The first references to the anti-trust laws came during the presentation of the Trade Relations report when Felix H. Levy, of New York, raised questions as to the meaning of one of the conclusions proposing to attach "penalties for violating codes of ethics" and asked whether they would be legal under the Sherman Law. Mr. Filene made the distinction that these would be different from "legal penalties," and that they would simply be means of getting at the ones who engaged in persistent wrong business dealings. Mr. Levy complained because the Sherman Law yet remains.

"The wicked practices of 1890," he declared, "have disappeared but the law remains, and it affects every man in this room, and prevents him from cooperating with his fellows."



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Gabriel S. Brown

In similar vein E. K. Cormack, of Detroit, representing the National Builders' Supply Association, added while this law existed they were "threshing straw and beating the air."

The sense of the conference was with Mr. Filene and his committee, however, as was indicated by the hearing that was given to a supporting speech from Lew Hahn, of the National Retail Dry Goods Associations, who declared that under the recommendations a man who persisted in evil practices would be made to know he had lost caste, or the right henceforth to be regarded as "a business man."

Mr. Filene referred to one other thing that would be accomplished under the Joint Trade Relations Committee, viz., coordination of the activities of business men in attacking the problem. "That coordination," he explained, "will go the longest way toward doing away with waste."

The report on Committee Number 3 had been prepared by representatives of the four general groups most closely associated with market analysis, for purposes of publicity or advertising. These groups were (1) publishers of periodicals; (2) advertising agencies; (3) general sales managers or advertising managers, and (4) statisticians and economists.

While this report set forth generally some explanation of the sources of waste, and the economic value of intelligently conducted advertising it drew an attack from Prof. Harry R. Wellman, of Dartmouth College, who said he had hoped this committee would make a complete study of advertising. He urged further study of the wastes in magazines, newspapers, window displays, electric signs, etc., with a view to their elimination and declared that the greatest single service the United States Chamber of Commerce could give in this regard would be to call a second conference for the study of waste in advertising.

The report, which was adopted, provided among other things for a Market Research Planning Body to assist advertisers in careful studies of their merchandise, markets, copy, and other phases of the subject.



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Theodore F. Whitmarsh

Committee Number 4 on Expenses of Doing Business reported extreme difficulty in distinguishing between the costs of manufacture and the costs of distribution. The statement was made that comparable figures in the manufacturers' distributing expenses may be found later, but were undiscoverable by the committee.

Attention was called to the fact that while instances of such expenses are not frequent, enough probably would be collected to establish a basis of comparison. More information is available on the expenses of retailers. The importance of collecting these figures according to a standardized method by all manufacturers, wholesalers and retailers, in order that possible comparisons might be used to reduce the cost of distribution, was also brought to light.

This report mentioned a number of other subjects, such as instalment selling, the effect of the rate of turnover on profits, and the costs of commercial failures. The information gathered was regarded as valuable in furnishing a number of guide posts for every business man who reads the report. Approval was given by the conference to the attacks now being conducted by such bodies as the National Association of Credit Men, the American Institute of Accountants, and other commercial organizations in the war upon dishonest failures. Legislation is now pending in Congress with a view to amending the bankruptcy laws.

Misunderstanding Has Existed

COMMITTEE NUMBER 5, on Methods of Distribution, brought out that much misunderstanding has existed in the minds of a good many distributors as to the justification for these methods of distribution which act as irritating, if not destructive, competition. A clear distinction was made between the function of wholesaling, and the man who is identified as a wholesaler, because it was shown that even in the most extreme forms of direct selling from manufacturer to consumer the functions of distribution must be performed. This, it was said, is inevitable even though the wholesaler and retailer are eliminated entirely. The middleman's performance must come in some way, but simplified, and the cost to the consumer eventually be lowered, according to the report.



MACDONALD PHOTO, N. Y.

Stanley Resor

A great percentage of improvement in

the methods of distribution can be obtained by getting everybody interested, Edward G. Montgomery, chief of the Foodstuffs Division of the Bureau of Foreign and Domestic Commerce, told the conference. He pointed out that the public needs education on the subject because people generally are not discriminating buyers.

The tug of war in the conference was over certain contents of the report of Committee Number 6, which was presented by Gabriel S. Brown, president of Alpha Portland Cement Company, Easton, Pa.

This committee chose two important elements in the general conditions surrounding distributions, viz., (a) the tendency of federal legislation and authorities to aid rather than to interfere with the honest distribution of products, and (b) the incoherent, confused, and anomalous situation in the legislation of various states affecting the problem.

A reference in the report to the Sherman, Clayton and Federal Trade Commission Acts, and to resale price maintenance inspired a considerable discussion which proved that, for the present at least, there is no common ground discoverable for the two elements that developed in the conference.

W. H. Crichton Clark, attorney for the American Fair Trade League; Harry B. Thompson, general counsel for the Proprietary Association; Mr. Levy, and others, joined in the attack. Mr. Clark asserted that the report looked like an endorsement of state socialism, and declared that the Sherman Act had been a bulwark of individualism in this country, protecting the small business man and preventing his elimination. He protested against mentioning "resale price maintenance" at all, and Mr. Brown declared there was no objection to omitting the reference.

Mr. Levy urged that the report be recommitted. He asked that the conference go on record for an amendment to the Sherman Act "whereby its attitude to little business shall be modified."

Chas. A. Vilas, general counsel of the National Biscuit Company, declared that large business can never hope to be free of regulation as long as it crosses a state line. "There was no intention," he said, speaking as a member of Committee Number 6, "of giving big business an opportunity to go in and crush out little business." The discussion once waxed so hot that Mr. Hahn told the conference that "the people who have axes to grind should have the decency to take them outside," which brought Mr. Levy to his feet with an outcry against the language.

Mr. Cormack jumped into the melee by declaring the report was like a phrase in the first chapter of Genesis "without form and void." He said there was not a man in the room who did not want business freed of legal hindrances. He expressed a fear that the Federal Trade Commission "has fallen heir to the Holy Inquisition," and thought the report should be revised as being not positive enough.

The row ended when an agreement was reached to leave out the designated language on the trust laws.

Outside of this controversy there was a distinct feeling that real progress was made in getting an important subject before the country. Mr. Brown declared without reference to the issues in dispute that the whole purpose of the conference was to discover "ways by which the ultimate users of articles of commerce may get them for less money."

Professor at the Conference Table

Harry Wellman, Who Teaches Marketing at the Amos Tuck School, Tells How the Distribution Conference Struck Him

ONE OF the worst troubles with the life of a professor is that it makes a man dogmatic. He insists that two and two shall equal four, no matter if the heavens fall. Moreover, he is aided and abetted by his students, who figure that their marks will thus be improved.

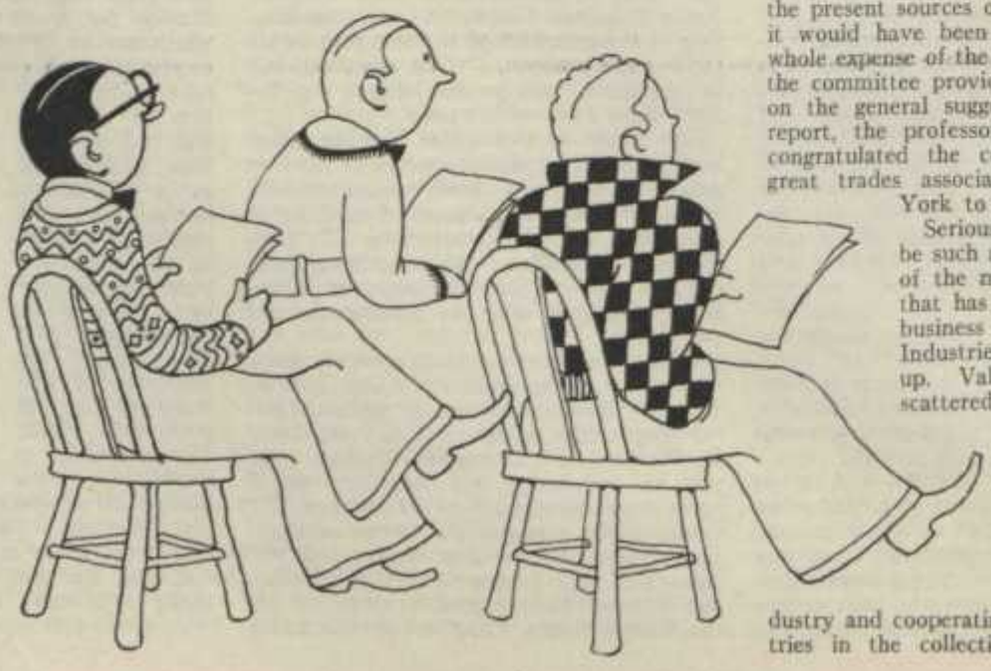
So the professor unconsciously approaches all conferences with far from an open mind. He is a past master in the hot-air line himself and it annoys him to have to listen to anyone else. That's why he's usually a rotten golf player, too. He always wants to tell how *he* made the fourth hole in three—which takes his mind off the game and his eye off the ball. In addition, he has the firm conviction that conferences were invented to legalize loafing. The average professor, then, has to get something of a jolt before he'll admit that *any* conference is worth the heated atmosphere expended. This professor got just such a jolt.

A Great Task

WHEN President O'Leary said, in opening the conference, that "this conference is but the formal beginning of a great task" and when Chairman Whitmarsh said, "We are here . . . not to solve, but to set in motion machinery that may aid in solving the complicated problems of distribution," this professor sat up and took notice. No promises, no claims. No oratory. Just a hope that this conference might be helpful.

And it was helpful, helpful to a degree that I fear no one would dare to state for fear of being thought unreliable. In the professor's opinion, there has never been a conference that so fully justified itself. Each report was clear, concise and pertinent. Each report was a direct and valuable contribution to much needed business research.

Each report stressed the importance of moving slowly but surely toward the goal of better business methods. Moreover, nearly all the reports suggested the proper machinery and method to be used, to make the report one hundred per cent effective.



Owen D. Young's committee, charged with reporting "The Collection of Business Figures as a Means Toward Accomplishing Economies in Distributing," assembled in one report all the factual sources and data now available.

Less Duplication of Effort

THE report urged the necessity of standard methods of collecting, of assembling and of analyzing data. It pointed out that we are now faced with the absolute necessity of a "Census of Distribution," as well as our present Census of Manufacture. It urged less duplication of effort and a general clearing house of business information.

If the report had made no other contribution than making available *in one place* the present sources of business information, it would have been worth more than the whole expense of the conference. But when the committee provided means for carrying on the general suggestions outlined in the report, the professor jumped to his feet, congratulated the committee and built a great trades association building in New York to house the idea.

Seriously, why shouldn't there be such a physical center? One of the most unfortunate things that has happened to American business came when the War Industries Board was broken up. Valuable information was scattered to the four winds and never reassembled. I'd like to see such a building rising floor upon floor, each floor housing a trade association devoted to the business of collecting vital facts for its industry and cooperating with all other industries in the collection of facts necessary

and common to all business. Such a Bureau, cooperating with our Government Bureaus, would be of inestimable value to American business, today at a new cross roads.

A. Lincoln Filene's committee, studying the subject of "Trade Relations" for the purpose of seeking out and ridding business of trade practices that do not make for economy in distribution, might well have "ducked" their difficult task. This is indeed a delicate subject, a subject where masterful evasiveness might well be justified. But the committee neither evaded nor sidestepped.

The report bares one bad practice after another, points out minor improvements and makes definite suggestions for the prompt elimination of other bad practices. Seldom has the professor listened to such a clear-cut, forceful, helpful report.

What He Specialized In

A REPORT of this type was necessary at this time. Much misunderstanding, much misconception of present business practice and ethics now exist. As Mr. Filene was speaking, the professor was reminded of a statement recently made to him by a senior. Part of the job of any professor is to try to be helpful in securing positions for seniors. The other day one of the boys asked "for a job in business, *any* business."

I asked him what he had specialized in and he said, "English, literature, philosophy and psychology."

Being somewhat unacademic, I asked him, "For the love of Mike, why?"

"To protect me from the harsh, unfair and unethical practices of the business world," was his serious reply.

So Mr. Filene's committee has spoken none too soon. When this present-day youth discovers anything like that, it's time for the elders to clarify the situation or take to the tall timbers. Seriously, the committee report not only clarified the situation but developed an organization—already functioning along the lines proposed by the report. That is a real accomplishment.

From the professor's point of view, the report of committee number three studying and reporting on "Waste in Advertising" and "Market Analysis," was the only weak spot in the program. Its work in collecting sources of market data was excellent. The report was worth while only from that point of view. This material should be added to the report of committee number one, where it belonged in the first place. But when the committee permitted itself to utter commonplaces about the economic value of advertising, when it presented pages of evidence taken almost bodily from advertising texts and left out the *known* wastes in advertising, the committee certainly evaded the main task. There *are* wastes in advertising.

Wastes in Media and Method

HAVING studied the question of waste for four years, I have no hesitancy in stating that these wastes do exist both in media and method. Here are some:

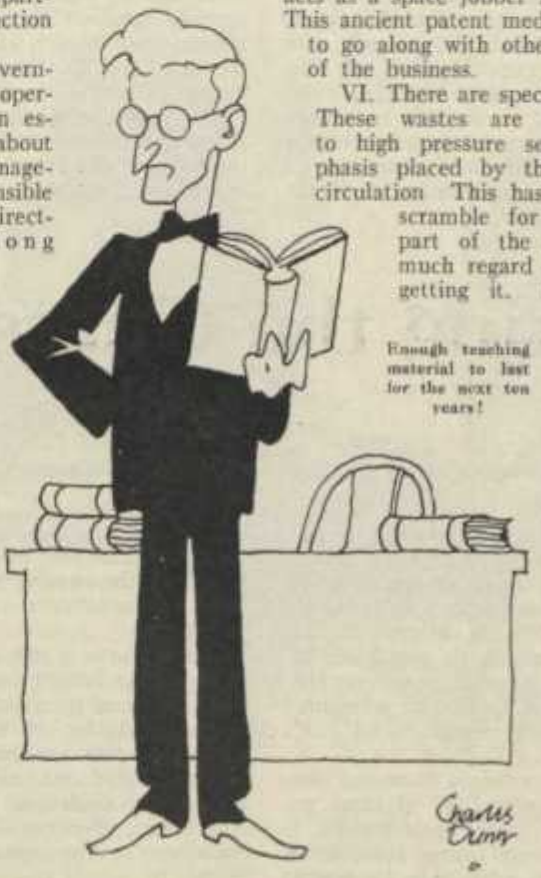
I. Wastes arising from failure to follow an established plan of procedure based upon facts, namely, that an analysis of the product, a study of the market and the trade channels used to reach the market, must precede sales and advertising planning, and that such plans must realize their dependence upon finance, production, and wise administration.

Since 1920 the sales machine has been under terrible pressure. Surplus merchandise has driven the sales manager to the use of all sorts of expedients. Finance has urged sales for the liquidation of merchandise in storage; production has been continued on factory schedules rather than schedules to fix actual market conditions.

With this pressure there has appeared to be no time for study, for analysis and for the building of wise sales and advertising policies. The order has been to "sell the goods." Advertising has been used lavishly, without sense or direction, in the effort to move surplus merchandise as quickly as possible.

II. Inherent waste due to extreme youth of the advertising department when compared with other departments such as production and finance.

The principles governing wise financial operation have long been established. Since about 1911, scientific management has been responsible for scheduling and directing production along scientific lines. During this entire period advertising has been in the experimental stage. The advertising excesses during the war, make the period 1916-1920 practically worthless as far as records of method and media are concerned. In other words, advertising has yet to establish itself as a science. It is still called an art—and sometimes it is. Scientific advertising is still in the future. There is no great body of data yet available to prove definite results from definite uses of advertising media.



III. Waste due to lack of adequate records on the part of the advertiser by which he or his agent can rightly apportion the places of the various kinds of advertising in the economics of his business.

IV. There are still wastes arising from failure to coordinate sales and advertising activities, arising from lack of understanding.

This is the least defensible of any of our advertising wastes. The waste arises largely from the fact that the salesmen and managers deal with individuals, while advertising deals with groups and masses. The individual success or failure can be checked up and recorded. The mass or group influence can be estimated only. The sales-manager too often "does not believe in advertising" and the advertising manager refuses to take orders from the sales office. And here we are in 1926 with the two arms of selling still waving—in opposite directions!

V. There are wastes due to a certain type of agency, incompetent to act as market advisers, either in advertising or selling.

During the "war to save taxes" there were more accurate accounts and there was more money to be spent than the established agencies could handle. Like the "boy banker," this period developed countless young advertising agencies whose equipment consisted largely of a prayer and the commission paid by publications. There has, fortunately, been a higher rate of mortality among this type of agents. The present agency association and the various associations of the publications are trying to establish standards that will improve practice and methods in the entire field.

Mad Scramble for Circulation

THE professor, however, is not too optimistic. He fails to see that much improvement can be made as long as the agency acts as a space jobber for the publications. This ancient patent medicine heritage ought to go along with other outworn practices of the business.

VI. There are specific wastes in media. These wastes are chargeable directly to high pressure selling and the emphasis placed by the manufacturer on circulation. This has resulted in a mad scramble for circulation on the part of the periodicals without much regard for the methods of getting it. It has resulted in periodicals of unwieldy size—in my opinion with reader interest diminishing as the size increased; of newspapers inflated to the size of a large book, the oxygen being supplied by prize contests, "guessing" contests, votes for bathing beauties, movie stars and poor but honest heroes!

And once having established the circulation, it must be kept up. This costs more money the second and each succeeding time that artificial circulation has to be restored. We see it in "advertising Advertising." Page after page of copy to sell weeklies, monthlies and daily papers, even. The publishers are making a "product" which they sell by advertising just the same as any other product is sold—and why not? Who reads it or why, doesn't matter. Get the circulation to get the advertiser. And when you've got him, increase your rates based on your new circulation—and get some more. But the joke is on the manufacturer who pays all the bills. He should pay, too, as long as he insists on circulation and doesn't care what kind of circulation it is or how it was secured.

The billboard, window display and car-card folks have been conscious of waste in the methods of distributing these types of materials and are constantly improving their methods and practices. The direct-by-mail wastes are being eliminated by the introduction of standards in size, weight and color of mailing prices.

The professor must insist that there are wastes in advertising and that economic homilies or text-book quotations will not cure them. It was a man's size job assigned to this committee.

The task *was* too great for the committee to perform in the time allotted. The

committee, however, could well have pointed out that much of this waste had come because of high-pressure selling methods, instituted since 1920. But whatever the cause, waste does exist and it should be eliminated as rapidly as possible. The resolutions committee, accepting this point of view, urged further study and report.

Committee Number 4, headed by R. R. Ellis, charged with studying the "Expense of Doing Business," brought in the best report that I have ever read. One particular point stressed by Mr. Ellis should be printed in large type, namely, that turnover in bills payable and bills receivable, is just as important as the turnover of merchandise.

Being a part of his business, so to speak, the professor was waiting for the report of Committee Number 5 charged with scanning waste in the "Methods of Distribution," with a more than critical attitude. Moreover, he hoped to be able to pick a fight with a former useful member of the community, a professor, now gone over to "big business," who was chairman of the committee. But the fight didn't develop.

Clearly, dispassionately, and holding a brief for no one of our methods, Mr. Weld's committee set forth our distribution methods, our functional set-up, the advantages and disadvantages of cooperative associations and the impossibility of decreasing the number of middlemen without decreasing the necessary functions of selling, transporting, storing, financing and delivering merchandise.

There wasn't time enough to discuss many irregularities that have crept into distribution since 1920. Sydney Anderson, however, did express one thought that should receive very careful consideration. With nearly seven billion dollars tied up in instalment selling, Mr. Anderson thought it was time to question the method. Credit tied up for production is actually at work creating new wealth. Credit tied up in instalments is "frozen" or dead credit.

The report of Committee Number 6 enjoyed a hectic afternoon. No one doubted the value of the report but at the outset no one seemed ready to accept it as it was.

Generally speaking—and they all were—it seemed to be the consensus of opinion that the Government, as far as practicable, should keep out of business. From the professor's point of view, the opinion is sound.

Since the recent decisions of the Supreme Court favor the rule of reason and are a little more widely interpreting the term, "public interest," and since the present Government is officially on record as being favorable to letting "business regulate itself," the professor was unable to get very "het up" about it all. The report did astound the professor in its wealth of material evidence of the lack of standardization in state laws and a further lack of co-ordination between these laws and our federal laws.

And so a really great conference ended. As he again looked through the reports before starting for home, the professor became convinced that instead of an expense, the conference had been an investment. Why shouldn't he think so? He was carrying away enough teaching material to last for the next ten years!

Taking the Guess Out of Business

By IRVING S. PAULL

Former Chief of the Division of Domestic Commerce of the United States Department of Commerce

TOM MORGAN conducts a factory producing a textile product. He is greatly concerned over the conditions confronting his industry and especially is he disturbed by the retailer's policy of deferred buying. Since the retailer refuses to anticipate demand Morgan must guess as to weight, size, color, fabric and style, because he is required to buy materials and manufactured stock in advance of orders.

There are approximately a thousand concerns in his industry and all of them are confronted by the same problems he is facing. About the only source from which to secure information relative to the general conditions within the industry has been the confidential statements of salesmen selling materials and each salesman has seemed honestly convinced that his material would be preferred in the coming season. There is an admitted uncertainty as to what colors will be popular.



The employes could afford only the bare necessities of life

Rumors have it that one of the big manufacturers has bought materials for the season and that he is specializing on early summer shades. Another of the leading manufacturers has just returned from Europe and it has leaked out that he has brought back a few models in novelty colors and a new fabric. Neither of these rumors quite conforms to the apparent trend in New York.

To be on the safe side Morgan has made up samples in line with the rumored styles and colors and added a specialty of his own. His salesmen are now scouting the markets to test demand, but it seems that all the other manufacturers are doing the same thing. The retailers are confused and are waiting to see what will be popular. Therefore Morgan is not finding an answer to his questions.

Some of the smaller factories are specializing on novelties and selling them to department stores who put them on sale as the latest vogue. They are quickly sold, and a new novelty adopted. The small factories can quickly switch from one specialty to another, but the Morgan plant is large and requires fair-sized orders to afford operating volume.

What seemed to be a help now proves to be a complication. The machinery manufacturers devise improvements to speed production and in doing that greatly increase the total capacity of the industry, which already could produce twice normal requirements. Production schedules are turned upside down in the demand for quicker deliveries.

The competitive situation is forcing a good many concerns out of business, but some new ones are springing up. To get established some of the new concerns are offering prices that Morgan cannot meet without loss. His directors are insistent that there be no loss this year, because 1924 and 1925 were unprofitable years for their company.

In 1924 the plant overproduced in anticipation of heavy demand and had to sacrifice finished merchandise to liquidate loans from the banks. Morgan reversed his policy in 1925, but orders came so late that he had to pay higher prices for his materials and found some difficulty in getting them. During a short season of production under pressure, operating costs absorbed every possible profit.

One Plant a Day Dropped Out

I AM sorry for Morgan, because his money is tied up in the plant, but that is not the worst of it. His wife's mother has an interest amounting to $150,000. He married his employer's daughter and was taken into the business before the old gentleman died. Now Morgan's mother-in-law cannot understand why the business is not as profitable as it was before he took the management.

Morgan is one of several thousand manufacturers in a dozen industries, who face the problems of distribution. In one industry for a time, one plant a day dropped out of the industrial race.

How can it be otherwise when we have a capacity in several industries to produce twice as much as can be currently consumed?

It is as natural that there should be deflation of manufacturing capacity to overproduce as it is that there should be expansion of capacity when demand exceeds supply. There is a theory that consolidation will, in a measure, solve the problem, but when there is capacity to produce more than can be currently consumed it is unlikely that mere consolidation of ownership and operation would materially relieve the situation.

Would Increase Excess Volume

IF ANYTHING, consolidation would more likely lead to greater efficiency of operation and would increase, rather than decrease, excess volume. However, if it were to lead to the abandonment of obsolete plants and the discontinuance of those which cannot be operated at a profit the liquidation of overcapacity might be a less painful operation.

Secretary Hoover is quoted as saying that a waste of 25 to 30 per cent of the cost paid by the consumer exists in certain lines of production and distribution. Whatever portion of these wastes can be recovered would give us just that much increased purchasing power and in several lines there is evidence that the saving to the consumer would be invested in more of the same products. In other words people would spend the same amount of money but get more product and support more active industry.

All things considered it does not seem surprising that there now comes an insistent call for facts, for a wider and more scientific knowledge of business conditions, in order that production and price may be stabilized. Many concerns are in desperate need of information that will help them determine policies and adjust their business to a new situation. One thing is quite certain. They need more information about the general conditions within the industries in which they operate. They also need to know the trend of economic conditions.

Business is principally conducted upon opinion, or the best guess at the moment of decision, based upon limited and uncertain information, or on occasion no information. Therefore, the first requirement is for accurate knowledge relating to the need for the products we manufacture. Without knowing how much of the product is in existence or in what volume it is consumed, there can be little assurance in an undertaking to produce more.

We need to know how much is in the hands of manufacturers, distributors and consumers, and how long the supply will last. We need to know the rate of production in relation to the rate of consumption.

That tells us the kind of information we need and the sources from which it is to be secured. The purpose of the information is to permit us to produce as nearly as possible in measure with consuming requirements. It is becoming well established that a moderate-sized plant operating steadily is a more profitable proposition than one with great capacity operating for short intervals.

An example is found in the experience of a shoe factory, which in 1922 employed its entire force for two months, half of its force for seven months and a third of its force for ten months. The best that can be said for its operation would be that it was the equivalent of about six months' of capacity production, but it had to support twelve months' fixed expense of interest, depreciation and upkeep. If it recovered all of those items in the amount received for its output the prices were above the ability of the maximum number of consumers to pay. The effect was to cut down demand for its products and add to its cost of production.

Let us take the employes of that factory as a group of consumers and judge their ability to support their own industry. Fifty per cent of the employes had only two months' work, 17 per cent had only seven months' work and approximately 34 per cent had ten months' employment. It is quite certain that a large percentage of the employes could afford only the bare necessities of existence and that a considerable number were required to mortgage future earnings to pay for the necessities consumed during their idleness.



Illustrations by R. L. Lambdin

Morgan's mother-in-law cannot understand

There is an immediate source of facts open to every concern. The necessity of having intimate facts makes the records of any concern its most valuable informational resource and one that must be fully utilized before facts from other sources can be intelligently applied to its business. One concern has recently made considerable progress through analysis of its own records and the records of a group of typical customers. It found, for instance, that about 70 per cent of its orders came from four states, Pennsylvania, Texas, Michigan and California in 1924, while the same volume had come from New York, Ohio, and Minnesota in 1923. In 1924 more than 60 per cent of its sales were in large cities, but in 1923, 65 per cent of its orders came from cities and towns of 50,000 population and under.

New Policy Adopted in 1925

THERE was little variation in the volume of sales in the two years. In 1924 the greatest volume of sales came from department stores and larger retailers, but in 1923 the larger volume came from average good retail stores and general stores. The cost of selling in 1924 was 1.4 per cent higher than in 1923. Margin between selling price and cost was 3.1 per cent less in 1924 than in the preceding year. Orders in 1924 were larger in size but fewer in number than in 1923. Exclusive of materials, operating costs were 2 per cent higher in 1924 and production was somewhat less steady than in 1923.

In 1925 a new policy was adopted and the first five months showed an increase of 18 per cent in volume of sales in comparison with the same period in 1924. The volume of orders is now coming from New York, Pennsylvania, Ohio, Michigan, Kentucky, Indiana, Illinois, Iowa, Wisconsin and Minnesota. Orders are flowing in more steadily than in previous years. Selling costs are 1.7 per cent lower than in 1924. Operating costs have been reduced 1.2 per cent.

Here is what the manager says about the results of their study of the records of the company:

"We had little appreciation of the store of information in our own records until we began seriously to analyze them. As soon as we discovered the shift in the source of our volume of orders we looked for the cause and that was not hard to discover. The reason for the varying results from different territories was due to the turnover in sales organization from year to year.

"We always had some very good men, but we didn't seem able to keep them in our sales organization. I have felt that our salesmen could earn more money and produce more business by accepting a little supervision and working by definite plan, but our salesmanager found it difficult to direct them in the working of their territories.

"Since the retailers have adopted the policy of hand-to-mouth buying it has been desirable to cover territory more frequently, but the salesmen were working on a commission basis and being credited with mail orders, so they felt that they were getting larger returns by covering new ground.

"We have found a method of helping the retailer size up his market so that he can anticipate his requirements more intelligently. That doesn't retard his turnover, but it helps us keep him supplied in the most economical volume for him to buy and for us to sell.

"The big thing we have learned is that we can operate with greater certainty and lower cost as we increase the steadiness of the flow of orders. We believe that the retailer's policy of buying for frequent turnover is going to be a good thing for our industry when the manufacturer gets in stride with the retailer's requirements. Presently the people who supply us with materials will get into the stride and goods will flow through production and distribution with little waste of effort, time, or expense."

Checking Up on Our Fuel Wastes

By FLOYD W. PARSONS

Editor, Gas-Age Record

Illustration by Emmett Watson

ALMOST everything in life and industry can be dealt with in terms of fuel. No one ought to need to be told of the close relationship between the ham sandwich that fires the human engine and the shovelful of coal that goes into a mechanical furnace.

Our agricultural industry, technically speaking, is a great fuel industry. The coal miner produces fuel to keep the outsides of our bodies warm; the farmer produces material to keep going the insides of the human engines. The heat units in food fuels are known as calories, while the energy content of coal and oil is measured in terms of British thermal units. A ton of corn contains 16,000,000 heat units, while a ton of medium-grade coal contains 26,000,000 units.

Talk of Substitute Fuels

THE BEST proof of our ignorance concerning fuel is our lack of appreciation of the real importance of our nation's coal supply. We talk glibly of substitute fuels that would prove adequate for every purpose in case our coal supply were shut off. We have been told that our farmers would supply us with fuel. We would burn wood. The oil companies could step in and save the day, or we might even relieve distress by completely utilizing the nation's water-powers.

Such talk is perfectly silly. The enormous corn crop of the United States has a heat value equivalent to that of only 48,000,000 tons of coal. All of the wheat, oats, rye, barley and potatoes we produce are equivalent to no more than 38,000,000 tons. Even the heat units in all of the meat, sugar and milk that we produce are equal to no more than 12,000,000 tons of coal.

The true worth of coal is best evidenced by the fact that whereas approximately one-half of the world's workers are engaged in growing fuel from the ground, these hundreds of millions of farmers produce less in the form of usable energy each year than do the 800,000 coal miners employed in the United States.

The principal hope of most people in case of a coal famine is that oil will be available in sufficient quantities to take care of all needs. Our production of petroleum is now running at near the highest level in all history, and it is not unlikely that within a very few years we shall depend upon imports of oil in order to satisfy our country's demands for this type of fuel.

The United States has become a nation on wheels. By 1930 we shall have 24,000,000 automobiles of one kind and another in America. By that time our consumption of gasoline will have passed the ten-billion gallon mark, and we shall be consuming more of this fuel alone than our entire output of oil totaled when the World War started.

Only a short time ago the press of our country was emphasizing the oil crisis that was approaching. The same thing will happen again, and the next time the situation may not be relieved even temporarily by a flood of new petroleum production. Thousands of enthusiastic converts to oil usage will be turning back to other fuels at an early date.

Approximately three and one-half barrels of oil are required to do the work of a ton of coal. This means that our total production of oil in the United States is equivalent to only one-third of our annual coal output. The fact is that, in coming years, a large percentage of our coal production will be forced to yield up its content of oil in order to help relieve the country's scarcity of liquid fuel.

Source of Our Future Oil

AS FOR oil shale, it calls for a mining industry having greater capacity than our present coal industry in order to get an oil output equal to that now obtained from ground wells. One ton of good shale yields a barrel of oil, so it would take 800,000,000 tons of shale to supply us with the oil we now consume. It is reasonably certain that we will get most of our oil in the future from shale, but such an outcome will require years for its realization.

A recent widely circulated report was intended to allay all apprehension concerning the future of our petroleum supply. A careful study of this report leaves the reader with his fears undiminished. If, as the text indicates, there is more oil in certain fields than was set forth in the survey of federal experts four years ago, there is a possibility that in other districts these earlier estimates may be too great. Furthermore, if we have



underestimated our oil reserves, we have also underestimated, to even a greater extent, the growth of the markets for oil.

During the past summer when the anthracite parleys were beginning, some of our leading citizens talked loudly about substitute fuels and assured the people of the east that they need not worry over any shortage of hard coal. Now that the pinch has come, the one substitute of real worth that can be used instead of anthracite is bituminous coal. All of the coke, gas, oil and wood that can be supplied, in addition to the quantities of these fuels that are regularly consumed, will not equal more than 15,000,000 tons of coal, which is less than two months' production of anthracite or ten days' production of bituminous coal.

We never have been, and there is no indication that we soon shall be, independent of coal. We are producing upward of 15,000,000 horsepower in our newly created hydro-electric stations. It is estimated that 40,000,000 water horsepower remain available. Every hydro-electric horsepower that is developed means an annual saving of approximately 10 tons of coal, based on the average efficiency of all steam-power plants. Each water horsepower that we harness automatically releases $100 worth of coal-carrying railway equipment for other general uses.

Don't Confuse Heat and Power

ALL OF this indicates the tremendous importance of America's potential water powers. The utilization of this energy, of course, is a coal economy of the first order.

Notwithstanding all of this, coal is absolute king. If we were to combine every one of our other sources of energy, the total would not be anywhere near sufficient to satisfy the nation's fuel needs. A common mistake is to confuse heat and power. Just as the vital agent of life is food, the vital agent of industry is heat. For every activity that requires power, seven require heat.

Furthermore, all of our power, except the limited amount we get from water, must be obtained through an expenditure of heat.

Since natural gas and petroleum are waning resources, coal is the one and only supply of heat that we can rely on to satisfy our growing demands. Within a decade, it is probable that the 5,000,000 people who now depend largely on natural gas for lighting, cooking or heating will be compelled to turn to some other fuel.

The idea that we can heat the world with electricity is an absurdity of the first order. A price of one cent per kilowatt-hour for electric current is low, and yet, current at such a price, when used for heating, is equivalent to coal at $40 a ton. It costs five times as much to heat a house with electricity as with coal or wood, in nearly every part of the United States. It would require the consumption of more than 500,000,000 tons of coal to generate the electricity necessary to supply current for heating and cooking in the 6,000,000 homes in this country now wired for electric lighting. To do this same work with coal would require less than 100,000,000 tons, and with gas only 62,000,000 tons.

As a result of the tremendous advances in life and industry in recent times, we are now facing the urgent necessity of civilizing heat. Our abundance of coal has acted to prevent the rapid development of the art of scientific combustion. Burning coal in its raw state is a barbarous practice. Gas is the logical substitute for coal because it is the soul of coal. It is pure heat, free of soot, dust, dirt and ashes. It is easy of control and makes possible the application to any purpose of heat of any desired intensity. The one thing in the world that is burned is gas. It is not the solid lump of coal that burns but the gas that is distilled off.

The manufactured-gas industry of the United States is a century old, but is just commencing to cast aside its swaddling clothes. Architects are slowly beginning to realize the folly of continuing to construct buildings around the one central idea of a fire and a great chimney. It is becoming more clear that the cellar used as a storage place for coal and ashes is a wasteful extravagance.

Picture of Preventable Loss

EACH day more clearly develops the truth that our homes are not properly insulated, and that we give practically no thought whatever to the effects of humidity in artificial heating. Add to all of this, damage done to property and health by smoke, and the waste through the destruction of valuable by-products when coal is burned in its raw state, and we have a picture of preventable loss.

The idea of carrying heat units about in trucks and buckets is no less ridiculous in this modern age than it would be for us to revert to the practice of getting our water from a well in the back yard. All of our water comes to us through pipes, while oil is sent halfway across the American continent in a similar fashion.

The heavy burden of expense on life today is not the cost of producing materials but the transporting and delivering them. Approximately 50 per cent of the total quantity of freight handled in the United States is coal. In this coal is a tonnage of incombustible matter that necessitates the use of 650,000 railroad cars to haul waste material to market. Later, the consumers of the coal must dispose of great quantities of ashes at a cost to them directly or in the form of taxes of about a dollar a ton.

When a ton of raw coal is burned in the average household furnace, only about 12,000,000 heat units are utilized effectively. But if this same ton of coal is burned in a modern gas plant, at least 20,000,000 heat units are made available for effective work. The householder who burns this same ton of raw coal sacrifices 11,000 cubic feet of gas, 25 pounds of ammonium sulphate, 2.08 gallons of pure benzol, .56 of a gallon of pure toluol, and 9 gallons of coal tar.

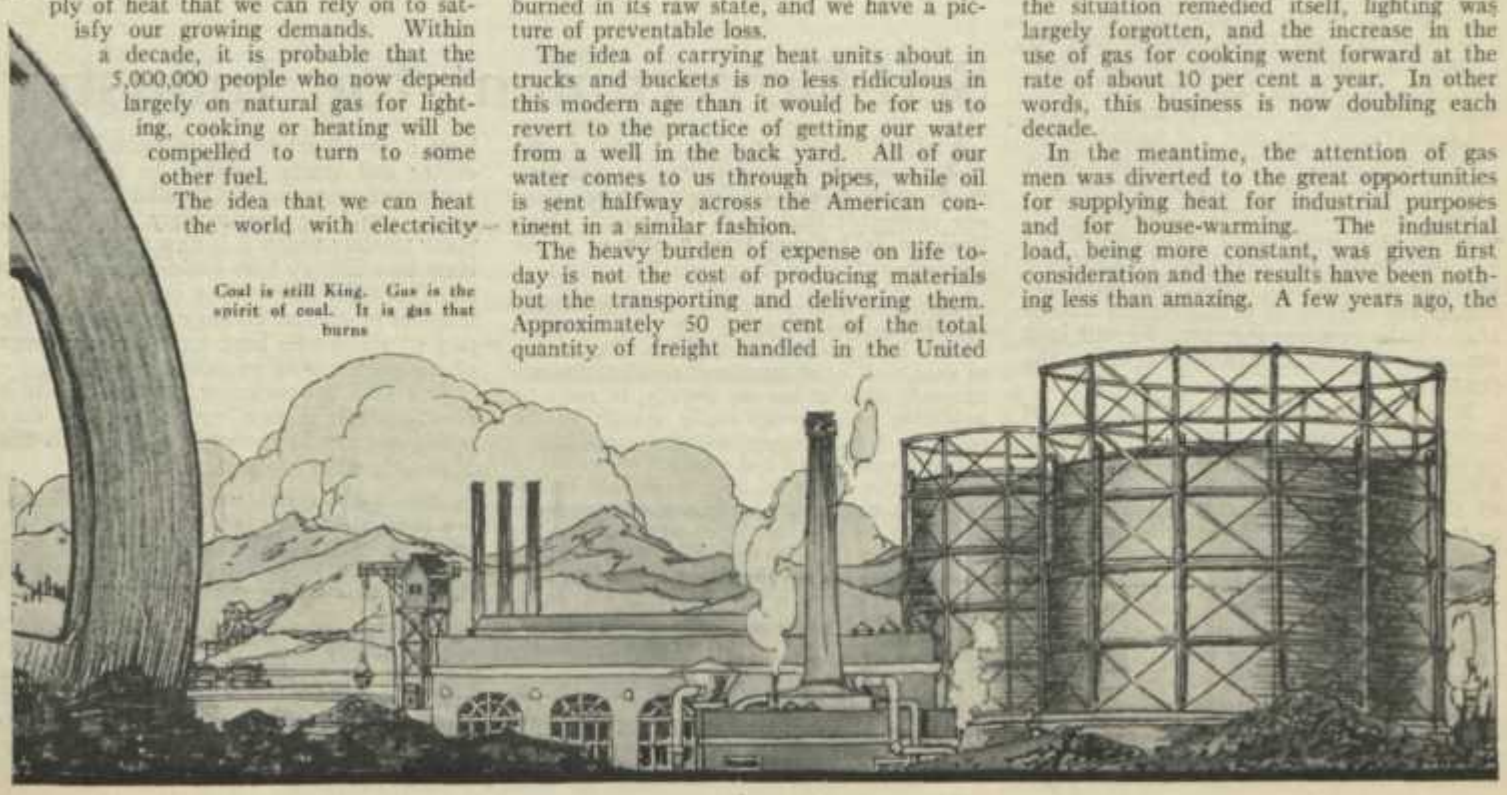
How Millions Can Be Saved

MILLIONS of dollars can be saved by producing all of our heat units in great central-station strategic points instead of continuing the present practice of having small, inefficient, isolated gas plants in cellars of our homes and other buildings. If we are awakened to the necessity of revolutionizing our fuel practices, we shall develop a new and great industry devoted to the distillation of coal and the distribution of heat units. Our present manufactured-gas industry will be only a nucleus around which this immense business will be constructed.

One thousand gas companies in the United States now serve 47,000,000 people in 4,600 communities. The capital invested in this national enterprise totals more than $4,000,000,000, and yet this represents merely a beginning. More than 400,000,000 tons of raw coal are burned each year by American consumers. If we treat only one-third of this coal so that it may be utilized without waste, the result will be an early expansion of the gas industry amounting to more than 1,000 per cent.

When the electric light was first introduced, gas was used chiefly for illumination. As this new and more modern agent of light took over the illumination load, the gas companies turned in desperation to the field of cooking, and for a time things did not look any too bright. Eventually, however, the situation remedied itself, lighting was largely forgotten, and the increase in the use of gas for cooking went forward at the rate of about 10 per cent a year. In other words, this business is now doubling each decade.

In the meantime, the attention of gas men was diverted to the great opportunities for supplying heat for industrial purposes and for house-warming. The industrial load, being more constant, was given first consideration and the results have been nothing less than amazing. A few years ago, the



Coal is still King. Gas is the spirit of coal. It is gas that burns

consumption of gas for industrial uses amounted to but 10 billions of cubic feet. Last year the manufacturers in the United States consumed 101,000,000,000 cubic feet for industrial heat. Gas usage in industry is growing at the rate of about 100 per cent a year, or ten times as fast as gas for cooking.

At the same time, householders in dozens of communities are asking for more gas to heat their homes than the companies are able to supply. From an industry that a short time ago was chiefly concerned in finding markets for its products, it has been transformed into one whose greatest problem is the enlargement of productive capacity to keep pace with its markets.

Of all of our great American industries not one has been so ultra-conservative as gas manufacture. It was introduced at a time when even bathtubs were objected to on moral and medical lines. It took fifty years for someone to invent a burner that would consume gas economically with a hot but smokeless flame.

Thirty-five more years passed before the incandescent mantle came into use, and even then it took another decade for gas engineers to perfect an inverted gas mantle. But that is all past history. Youth has taken hold and refuses to be bound by yesterday's traditions.

Imagination is in the saddle, and it recognized that, whereas electricty is harnessed lightning, gas is unbottled sunshine, surrounded by a mystery that invites the daring to explore.

Gas Engines for Railroads

PROGRAMS of extended research are being undertaken. Tens of thousands of dollars are being appropriated for scientific work that will revolutionize present heating practices. The substitution of gas for powdered coal in cement manufacture alone would practically double the size of America's present gas industry, and this is only one of hundreds of markets where gas appears to be the correct fuel. The Germans are now going in largely for monster gas engines to supply power to railroads and industries, a line of development which would make gas an important agent of power.

Radiant heating, rather than heating by convection, will be the practice of tomorrow, not only in the house-heating furnace but in hundreds of other operations. Even the open, radiant gas fires will be valued for the hygienic qualities of the rays sent forth as well as for the heat they supply.

The fact is that the great new field of vibrations is a land virgin with possibilities for the engineer and scientist. Of chief importance in this new realm for investigation is the subject of heat. As our knowledge of the problem increases we will look out upon the world with eyes open to the truth.

Every smoking chimney will represent an inexcusable attempt to waste the valuable constituents of coal, shut off God's sunlight and destroy health and property. Instead of the great users of heat regarding coal as merely a minor factor entering into their plans of production, the ultimate outcome must be the development of organizations whose business it will be to make one burning of coal answer for all purposes. The raw coal will start at one end of these great refining plants, while out of the other will come coke, gas, electricity, oil, tar and fertilizer.

Such a method of treatment is not coming as a matter of sentiment or merely because we feel an urge to conserve our resources, but is being forced upon us because it is the only possible course of procedure that will insure a maximum of profits.

If the leaders of the coal industry of the United States had exercised the necessary foresight years ago, they would now be in charge of the most prosperous business in America, and would have complete control at the present time, not merely of the production of raw coal, but of those two greatest of all essentials—heat and power. The only thought appears to have been that, as our population increased, the consumption of coal would grow apace.

But the electrical industry started in to perfect its methods and soon found a way to produce as much current from one pound of coal as was formerly made from three. Dozens of other industries effected economies equally as large, while oil and water-power developments added materially to the punishment meted out to the leaders of a great basic industry for their failure to recognize what was coming and prepare to meet the situation.

Hope for Brighter Future

WHAT has happened cannot be remedied. The all-important question concerns the future. The coal industry has been largely responsible for the prosperity of our country and yet has not shared in that prosperity. Let us hope that out of the experience of the past our great coal-mining fraternity will awaken to a proper appreciation of the precious values that have been wasted through unscientific combustion practices.

The greatest mistake anyone can make is to assume that the conservation of a commodity means the curtailment of its use. Coal economy does not mean to use sparingly but to use well.

A ton of coal properly refined is worth three or four times what the same coal is worth in its raw state.

Ultimately all of our coal will be subjected to coking or gasification, and the relief afforded to life and industry through the elimination of present fuel wastes will be reflected immediately by an expansion of trade that will necessitate the production and use of more coal instead of less. Let our coal industry follow the example of the meat packers and start to get every value out of coal. Then they will have finally discovered the solution of their problem. The result will be stabilized coal industry, established on a foundation of sound economics. So close will the coal and gas industries have linked hands that it will be difficult for anyone then to draw a line indicating where coal mining ends and gas manufacture commences.

Perfumes and Disinfectants

WHERE on earth can one find any other material as useful as coal? Carbolic acid was once our standard disinfectant. Now we have discovered in coal tar another disinfectant twenty times as powerful as carbolic acid. One coal-tar product is so powerful that a gallon of it, when diluted, will make 500 gallons of effective germ killer.

On the other hand, this same lump of coal, which produces a deadly poison or a mighty explosive, can also be made to yield delicate perfumes, exquisite flavoring extracts and dozens of cures for human ailments. A 4-foot seam of coal contains enough ammonium sulphate to fertilize the land above it for one thousand years. Our country's production of wheat could be increased by more than 50,000,000 bushels a year if the ammonia that is wasted in beehive ovens were to be saved and used.

It is entirely possible for the producer to sell his coal at a higher price than prevails today, and yet for the consumer to buy his heat units for less than he pays at the present time. But such a change can only come as a result of modernizing our fuel practices. Simultaneously with the construction of a nation-wide network of power lines to carry electric current, we may build an equally extensive system of pipe lines to transport gas.

Of course, there are difficulties. But in the light of coming developments we shall be amazed over the insignificance of the problems that now deter us.

Self-Government for Industry

ADDRESSING its editorial mind to the question "Can industry be self-governed?" the *Christian Science Monitor* comments thus on P. G. Agnew's "How Business Is Policing Itself," printed in the December issue of NATION'S BUSINESS:

> The effort is to prove that industry, having successfully brought about this form of cooperation by its initiative, has shown its ability to deal with other problems which it has attempted, more or less successfully, to solve by legislation and through costly appeals to the courts.
>
> Every well-defined and unselfish movement in the direction indicated may reasonably be expected to meet public applause and approval. There is a growing conviction that there are too many, rather than too few, laws, and that purposeful initiative has sometimes in the past been hindered or discouraged by legislative or legalistic interference and intervention . . .

and that

> Those to whom authority has been delegated to draft and enact laws are not always able to realize the particular need which may exist. . . .

Although the *Monitor* believes that "perhaps it could not be safely agreed that industry and business should be made absolutely self-governing," it is sure that "it no doubt could be convincingly argued that many matters which it is now sought to regulate by arbitrary laws could be more wisely and profitably referred to boards and commissions or arbitral bodies composed in large part of those who have intimate knowledge of the problems to be solved."

Just such a convincing argument in that direction Mr. Agnew wrote, and for ourselves, we are in thorough accord with the *Monitor's* state of mind, that

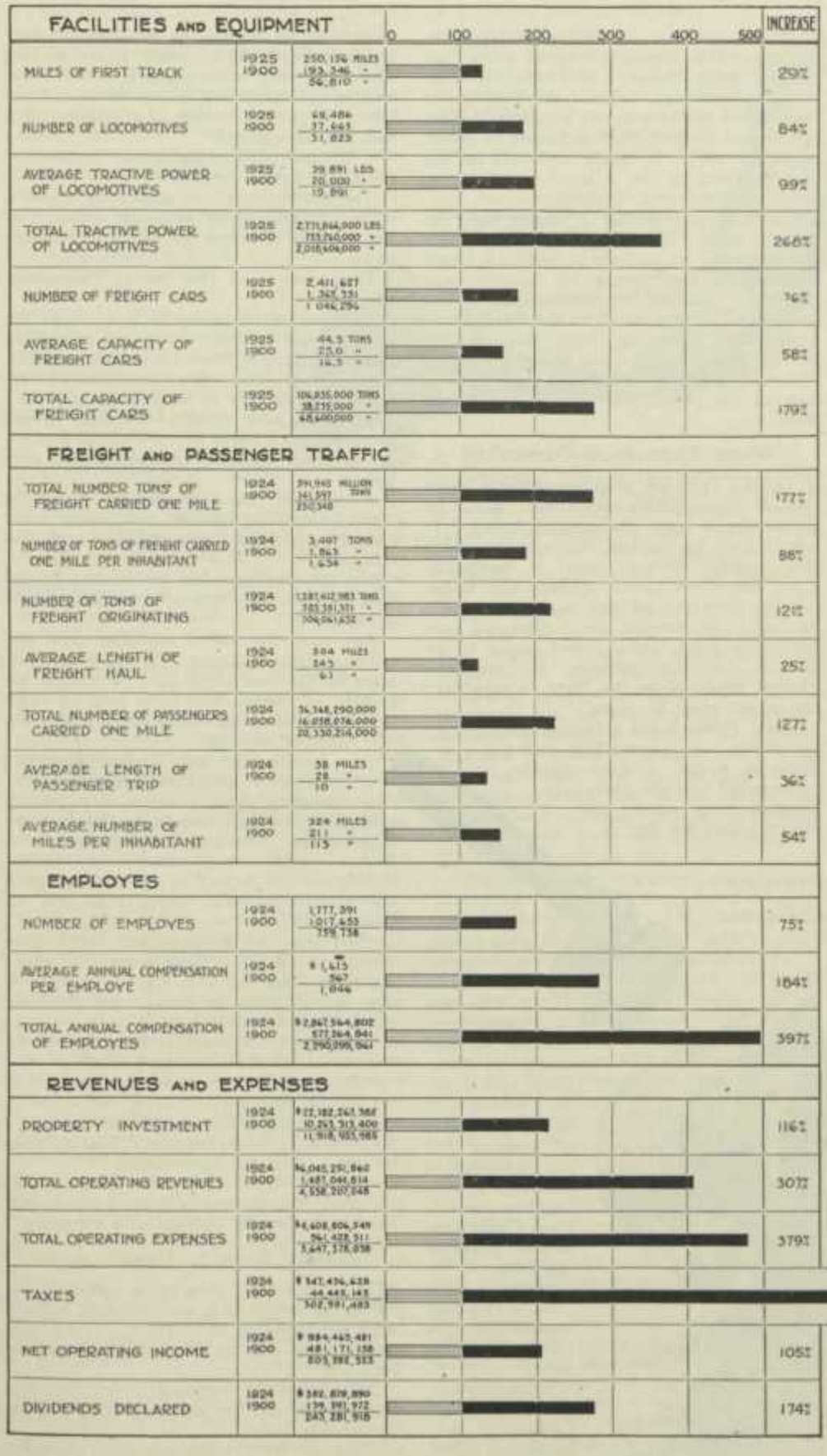
> Partisan politics heretofore has played much too large a part in affairs of vital importance regarding which many of those who have wielded power and influence have possessed little or no intimate knowledge.

The most casual contacts with the ways of legislatures would seem sufficient to suggest to the business community that its practices could be revised or regulated more intelligently through its own informed experience, for so long as there are politicians, politics will not be adjourned.

Railroad Growth in 25 Years

Charted and Described by RICHARD WATERMAN

Department of Transportation, United States Chamber of Commerce



GROWTH OF RAILROADS IN THE UNITED STATES, 1900-1924

Notice how little track mileage has increased since 1900 compared with freight and passenger traffic, property investment, operating expenses and taxes

THE most important single factor in the development of the United States during the first quarter of the Twentieth Century—in commerce, in industry, in wealth and in population—has been the enormous growth of our national system of railroad transportation. The accompanying chart shows in graphic form some of the facts that illustrate this growth.

The chart shows, for example, that the property investment of the railroads has more than doubled since 1900, has increased from ten and a quarter billions to more than twenty-two billions of dollars. This enormous increase in the railroad investment has resulted in the addition of 56,000 miles of first track, 31,000 locomotives that are, on the average, twice as large as those used in 1900, and 1,000,000 freight cars that are on the average nearly twice as large as those used in 1900.

During the year 1924 the service performed by all of the railroads of the country was three times as great in the freight department and two and a quarter times as great in the passenger department as it was at the beginning of the century.

Wage Bill Largest Expense

THE largest item in the operating expense of a railroad is the wage bill. In 1900 the railroads had 1,000,000 employes, at an average compensation of $567 per year; and in 1924 they had 1,777,000 employes at an average compensation of $1,613 per year—an increase of 400 per cent in the total annual compensation of employes.

Railroad revenues have grown from one and a half billions of dollars in 1900 to six billions in 1925, an increase of more than 300 per cent; while railroad expenses have grown at an even faster rate, the increase during the 25-year period being 379 per cent. The increase in taxes, 682 per cent, has still further reduced the amount available for the payment of interest and dividends so that in 1924 the net operating income was only 105 per cent greater than in 1900, in spite of the fact that property investment was 116 per cent greater than it was in the earlier year.

"Today, the system of distribution seems to have literally gone to pieces—very small pieces," John G. Lonsdale, president of the National Bank of Commerce in St. Louis, said in a recent address at Oklahoma City. "It does not function in bulk any more, but in small doses. We are in the midst of what at one time was considered only a transitory fad, the era of hand-to-mouth buying. This new system of distribution supplies even a greater total volume, as railroad tonnage shows. The difference lies in the fact that the orders are much smaller and yet proportionately more numerous.

"With the railroads operating at greater dispatch than ever before, insuring quick delivery, aided and abetted not a little by the uncertainty of style merchandise, the retailer today buys his goods as he needs them, putting into the bank the money that he used to invest in shelf stock.

Giant Power Facts and Fancies

By WILLIAM D. DISSTON

President, Northeast Philadelphia Chamber of Commerce,
Vice-President, Henry Disston & Sons, Inc., Philadelphia

ELECTRICITY has a powerful grip on the American imagination. Its uses have become commonplace but its mysteries remain as baffling as ever.

Strands of copper wire carry an invisible force which will pull a freight train, light a theater or heat a curling iron. Not long ago such things were impossible. A single generation has seen many electric impossibilities become prosaic facts. Therefore a credulous public may accept the most fantastic proposal as long as it carries a promise of cheaper and more abundant power. And what is worse, an improperly informed public may go to the polls and vote for such a proposal.

It is this which makes a national threat out of a danger aimed primarily at the electric utilities industry of Pennsylvania. The Giant Power proposal of Governor Gifford Pinchot is—to put it as mildly as possible—one of the most remarkable schemes ever suggested to an American state. Bills drawn to create Giant Power were rejected by the last legislature but the plan is still very much alive.

Americans Love Superlatives

I TAKE the opportunity of pointing out some amazing features of Giant Power through the columns of NATION'S BUSINESS. Commercial and industrial executives in other parts of the country may thus be warned for a fight which affects their concerns even though it may never be brought to their own doors.

I do not know who thought of calling Governor Pinchot's plan "Giant Power." Whoever did it was a genius. He knew his people.

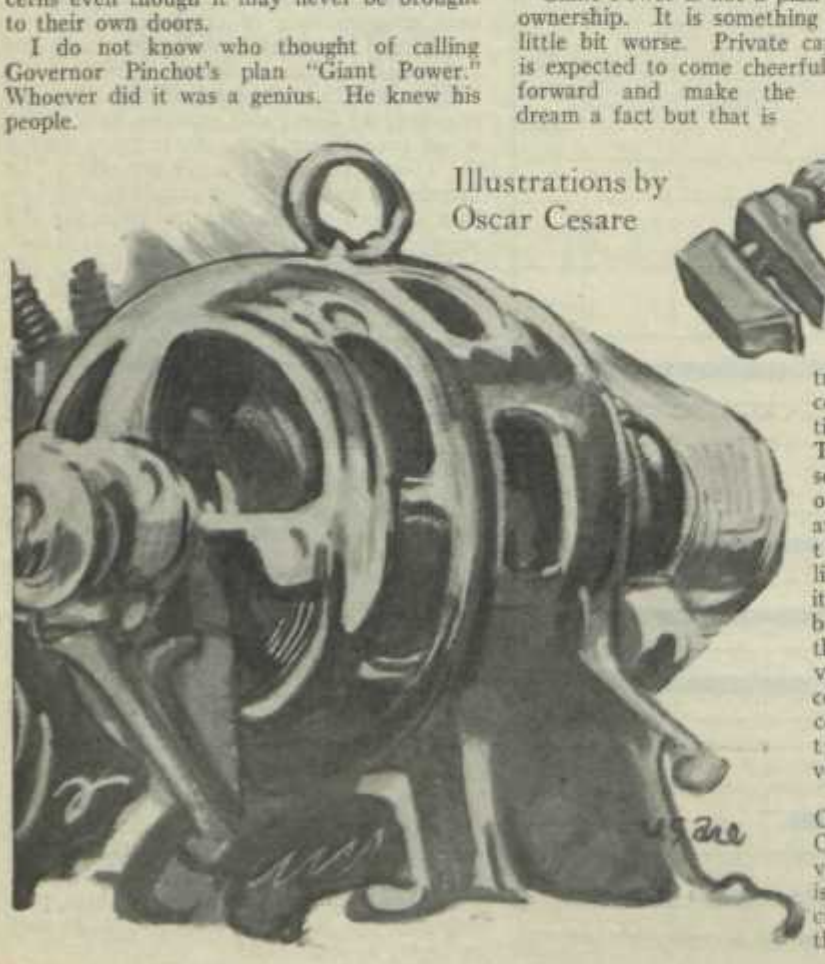
Americans love superlatives, catchwords, slogans. Our idealism rises to titles that suggest great things. This was the case with "Superpower." The word Superpower was added to the national vocabulary when the United States Goverment made its power survey in 1921. It suggested linking the big power plants in the Atlantic coast region between Boston and Washington.

There is undoubtedly a danger that the popular mind will confuse Giant Power with Superpower. As methods of operation Giant Power and Superpower are diametrically opposed. Superpower provides for a normal growth of existing facilities by which companies now operating throw their electric current into common trunk lines; it provides that each group of consumers shall pay the cost of the power and service which they receive.

Worse Than State Ownership

GIANT POWER proposes that the State of Pennsylvania create what would be practically a new electrical industry. It would have to supplant the industry which now exists. Private capital is invited to erect huge new power stations and transmission lines but all this equipment would be under the absolute domination and control of a state Giant Power board to be created for the purpose. A "recapture clause" would allow the State to take over the plants after 50 years.

Giant Power is not a plan of state ownership. It is something just a little bit worse. Private capital is expected to come cheerfully forward and make the dream a fact but that is about the only privilege allowed it. The state would control the stations, control all operations, and so on. To a person with some knowledge of politics and any imagination the plan has limitless possibilities. Could rates be fixed solely on the basis of investment and costs without consideration of the effect on votes?



Illustrations by Oscar Cesare

Philadelphia's Chamber of Commerce devoted a recent issue of its official magazine to the subject of power, as an answer to the Giant Power legislation. In this article I am making liberal reference to the contents of that issue, written by experts and widely known authorities; the present author is a business man and not an engineer.

I list below some significant features of the Giant Power proposal:

The establishment of generating stations, each of about 500,000 kilowatts capacity, at the mouths of mines in Western Pennsylvania.

Transmission of this energy throughout the state.

Distribution of power to be through the present public utility systems; generating plants operated by these companies would be taken out of active service and held in reserve for "standby or intermittent service."

Territory now without electricity would be served with Giant Power through municipal or other agencies created for the purpose.

A common "pool of power" would be created and segregated into three main classes: generation, transmission and distribution.

No corporation would be allowed to engage in more than one of these three kinds of business.

Any man who knows anything about the public utility industry will have to stop after he has read these lines to recover his breath. A comparison may help to show their true significance to men in other lines of business:

Let us say that Richard Doe has built up a nice little business manufacturing shoes. He is in a thickly settled eastern state and he has retail stores of his own. Also his company operates a fleet of trucks which carries the finished shoes from the factory to the stores. Along comes the Sovereign State and says to Richard Doe:

"Mr. Doe, we have worked out a plan which we think a better one for making shoes than the one you are using. A new factory must be built along the lines which we will show you."

"But," says the manufacturer, "what's to become of the plant I'm now using?"

"Oh, you will close that down but hold it for use in emergencies."

"Well that's pretty tough on me," says Richard Doe, "but I suppose it'll be all right for me to use my motor trucks?"

"No, Mr. Doe. Sorry but that isn't in the plan. An entire new fleet of trucks will have to be bought and put into operation."

Another Blow to Manufacturer

THAT is another blow to the manufacturer but he swallows it and comforts himself with the fact that his retail stores are left. Surely they will be allowed to remain as they are.

"Yes," says the Sovereign State, "yes, Mr. Doe, we can use the stores all right without any change but—"

"But—," repeats Richard Doe fearfully.

"But, you will have to pick out which one of these services you wish to engage in. You may run the factory, you may operate

the trucks, you may conduct the stores, but you cannot do more than one of these things. When you have decided which of the three you prefer, companies will be formed to take care of the other two."

The above comparison is a fair one when you consider the inherent difference between a company which manufactures electric current and one which makes shoes.

The electric utility industry of Pennsylvania represents an investment of some $700,000,000. It serves the second most important industrial state in the Union and it has kept pace with every improvement and economy devised by practice or engineering. Stocks and bonds which personify this huge power investment are held in safes and strong boxes throughout this country and countries abroad. Nor is all this wealth in the hands of "capitalists"; two and a half million people in the United States have put their savings in the electrical power companies.

Now, $700,000,000 is a pretty considerable investment. When you destroy confidence in such a block of securities a lot of things are going to happen. Because of the stability of such paper it has been a favorite form of investment for life insurance companies, savings banks, trust companies, trust funds, etc. If Giant Power were ever realized it would have a disastrous effect upon the resources of such concerns. And so delicate is the financial and industrial fabric of the United States that the demoralization would be felt in one way or another by even the wage earners of distant states.

Engineers Greatly Amazed

LIKE the great power companies of other states, Pennsylvania's present electrical concerns generate, transmit and distribute their product. That is economy. Under Giant Power these great companies would be torn apart and allowed to engage in but one of the three activities. Any business man can guess what would happen to the overhead when you formed three companies to do what one company now takes care of.

The report which carries Governor Pinchot's proposal said blandly: "Our service companies will be relieved of the necessity for providing generating stations."

As if it would be doing the companies a favor! But what is to become of the present big generating stations when the solicitous state has so kindly relieved them of the necessity for doing what they were built to do? These plants—the plants which now furnish light and power throughout Pennsylvania, the plants which represent such a large proportion of that $700,000,000 investment—will become mere reserves. They will become stations to be used for emergencies when the Giant Power plants at the mine mouth are unable to furnish all the "juice" needed, or to be hurried into use when a break in the line interrupts the flow of power.

In the face of all this the Giant Power scheme provides that private capital shall come forward and make the dream a fact.

Engineers are as greatly amazed by some provisions of the Giant Power plan as are the bankers. An analysis of the proposals has been made by Charles Penrose, of Day and Zimmermann, Inc., engineers, and distributed to business men by the Pennsylvania State Chamber of Commerce. Mr. Penrose observes:

"Giant Power is based upon an economic fallacy. It assumes that the cost of producing its electrical energy can be based on a net fuel cost—25 cents a ton in bunkers of the mine-mouth power stations—that is wholly dependent upon the continued ability, year in and year out, to market profitably the immense quantities of by-products from 25,000 tons of coal per day for each of the Giant Power stations. The largest coal mine in the world produces less than 10,000 tons of coal a day.

"Giant Power loses sight of the dependence which would thereby be created for the electric utilities of Pennsylvania upon industrial demand for these by-products of coal mining. The by-products would have to be marketed in competition with long-established sources of supply—sources controlled in part at least by industrial interests who require these commodities. I need hardly stress the situation in times of depression when even the normal demand for the by-product would be affected."



Mr. Disston tells how Giant Power would throw a monkey wrench into Pennsylvania's electric utilities industry

Mr. Penrose makes clear that neither the engineers nor the electric utilities companies now operating oppose the utilization of coal by-products. It is to the interest of the companies to adopt every economy which research and practice may develop. But every business involved objects to the creation of a new by-products industry which would be brought into being by the Giant Power plan—an industry that would parallel and compete with companies now in the business.

It is about time for some thoughtful reader to rise and ask me:

"But what is the objection to mine-mouth generating stations? I don't know the technicalities of the problem but I've read and heard that all power plants ought to be in the coal fields. And it sounds logical."

Here is another case where the public has been snared by an alliterative phrase. Mine-mouth power stations would be the rule if the topography of the United States could be made over with all coal, water and industrial centers ideally located.

You have perhaps noticed that big electrical generating stations are built on the banks of large rivers or upon arms of the sea. They weren't built there for scenic effect. The answer is the one word—water. This has been explained by the engineers.

Water is shown to be just as necessary to the manufacture of electricity as the coal that is burned under the boilers. The economical use of coal depends upon the supply of water. The explanation is given that after the steam leaves the turbines it is condensed and the chambers that perform this important service must be cooled by water circulation. It takes a whole lot of water. For every ton of coal burned at least 400 tons of water must be available.

The electrical industry does not need to be told the advantages of mine-mouth generating plants. Savings in freight and handling on immense quantities of coal are obvious. The industry has already built mine-mouth stations. The reason it has not built more is that you do not find inexhaustible supplies of water in the mountains where you find the coal.

Giant Power advocates admit these things. But they maintain that the flood waters of mountain streams can be dammed or that cooling towers can be erected for the repeated use of the same water. Cooling towers are experiments as far as American practice and such huge generating stations are concerned. The storage of flood water is attacked by engineers who say it puts the entire dependence for power in the state upon the rainfall of a region where water scarcity is traditional.

Horsepower Lost in Transit

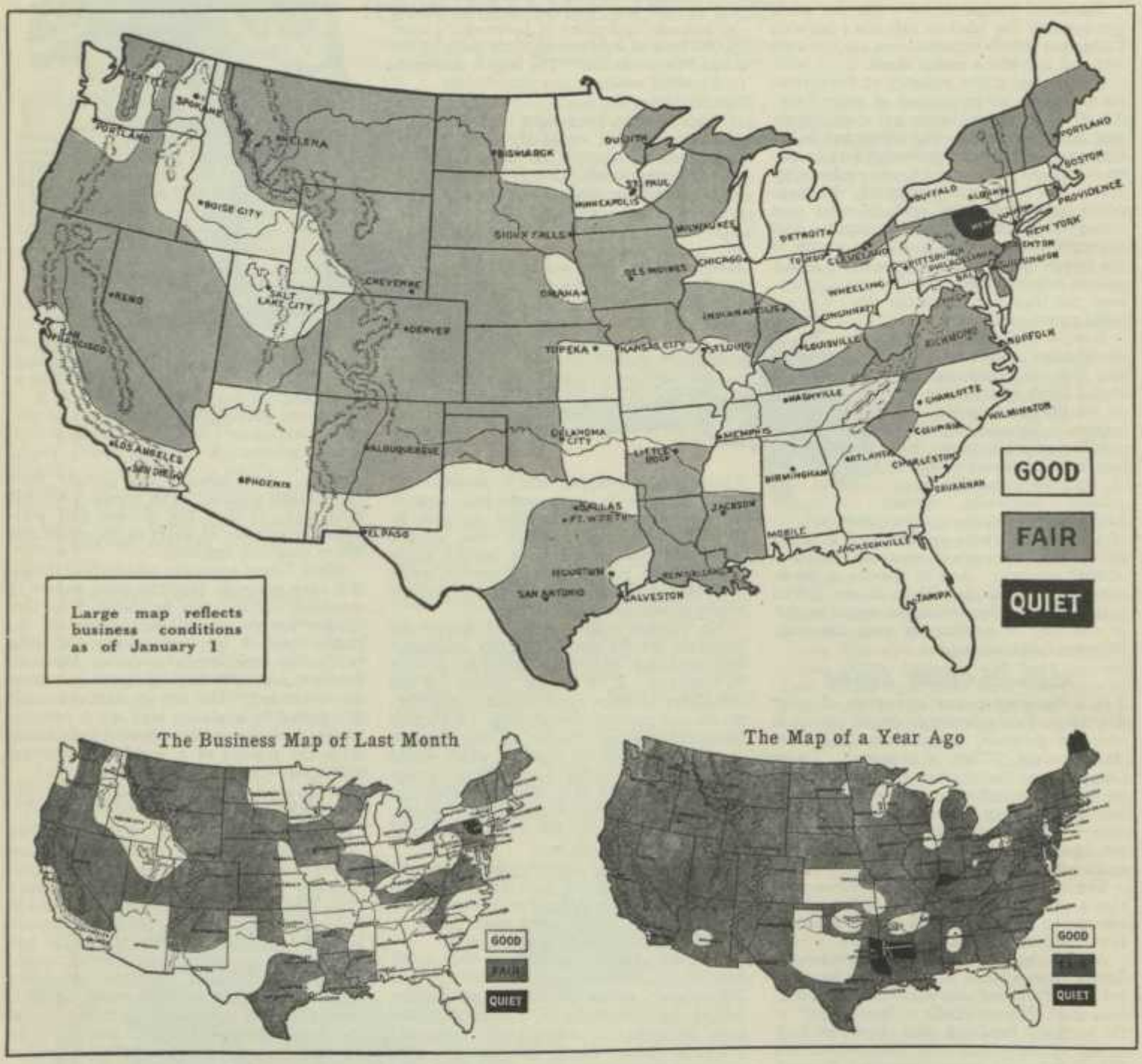
TRANSMISSION lines 300 miles long would be necessary to bring the Giant Power from mine-mouth to the Philadelphia district. The Giant Power report overlooks a small item of 97,000 horsepower that would be lost in transit before 500,000 kilowatts could be delivered at tidewater. That loss in transmission is so great that it would require an additional investment of about $8,000,000. That is, you would have to put $8,000,000 worth of extra equipment at the mine-mouth station to manufacture the 97,000 horsepower which would all disappear.

Engineers of national reputation show that the cost of transporting electrical power a distance of 300 miles is greater than the cost of transporting coal sufficient for an equal amount of power over that same distance. They base their figures on two stations of identical efficiency. One to be at mine-mouth and the other at tidewater, each designed to deliver 500,000 kilowatts to the Philadelphia district. The cost of transporting coal was $0.0017 per kilowatt hour; the cost of transmitting electrical energy was $0.0020 per kilowatt hour.

Proponents of the scheme do not accept its defeat as final. Governor Pinchot toured the country last summer all the way to the Pacific coast pointing with pride to Giant Power.

And now the Governor has called a special session of the legislature—the first in twenty years—and announces that Giant Power legislation will again be introduced!

The Map of the Nation's Business



By FRANK GREENE

Managing Editor, "Bradstreet's"

WHILE the snowstorm of annual reviews and their accompanying forecasts has not revealed much that is strikingly new or different from that put forth in this column a month ago, the historian of trade and industry finds it necessary to pick up some of last year's happenings and record them where they may possibly be referred to at a later date.

Among these filings for future references may be cited the volume of retail trade in the closing month, which, aided by cool weather during most of that period and stimulated by holiday buying of a prosperous people, broke all records, in this respect fitly crowning a year that stands out as one of the best in the business history of the country.

While retail trade was active, wholesale business showed seasonal quieting, although jobbing reorder business held out almost to the close. Industry showed less than seasonal quieting and steel output broke the peak war-year record for the month and year.

Prices of commodities at wholesale lost a good deal and in fact cancelled most of the three preceding months' upswing. This despite a very sharp rise in wheat bringing quotations to the highest of the season though not quite up to the high of January and March.

Rubber went lower to the accompaniment of much political bass drumming, and cotton eased on estimates of the third largest crop ever gathered. Potatoes hit the roof as regards prices in the cold spell around Christmas, and some far western farmers fortunate as to yields are said to have paid for their farms out of the year's crop.

Unlike the young man who was said to have a "fine future behind him" the trend of comment on the past and of predictions as to the future, is pitched in a cheerful key and the general conclusion, likewise voiced in this column a month ago, is that the first half of the coming year is fairly secure. Beyond that very generally the "deponent

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with a building problem



IF you have a job that someone tells you is impossible—if your estimates seem beyond the bounds of reason—if your engineering problem seems insolvable—get in touch with the H. K. Ferguson Company.

Here is a national organization of men with ideas—construction ideas—that have made possible many difficult projects—ideas that have saved thousands of dollars for customers in all sections of the country.



A Ferguson idea saved $20,000 at the Albany mill of the A. P. W. Paper Company by changing foundation design.

A Ferguson idea that called for a redesign of the original plans, saved $25,000 in costs and six months of construction time for Procter & Gamble, Staten Island.

A Ferguson idea showed the Erie Railroad how to install a giant locomotive-handling crane at a saving of 25% in structural steel.

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saith not." For this unwillingness to speak confidently of the further future there are several citable reasons.

Perhaps first of these is the fact that, after all, the New Year really does not mark much of an actual organic change in the business year, one for instance equal to the turn of the mid-year when crop results have begun to be defined. Coming in mid-winter in this climate in fact the annual review and forecast seems to have something arbitrary about it.

But speaking from a mid-winter period as we must, the tendency is to believe that the impetus gained in the last half of 1925 will carry things well into early summer where new bearings may be taken of the trade ship's course, and, perhaps, a new course laid out upon the chart.

1925 Fulfilled Predictions

NINETEEN twenty-five resembled 1924 in some respects but differed vastly in others. Both years had a mid-spring to mid-summer quieting, but 1925 showed a rather quicker rally and a net result better by far than that of 1924. In one respect at least 1925 differed from most others in that it came nearer to fulfilling favorable predictions common at its outset than did most of its predecessors.

This was not altogether because of favorable natural conditions for we had nearly nine months of drouth and close to three months of excessive moisture or of cold weather that made the late harvests things of partial failure or deferred doubt. There were at least two bumper crops, corn and cotton, but there were more than that number of crop failures, winter wheat and potatoes starring in this unenviable rôle, while fruits and vegetables generally speaking were cut short heavily.

The theory, voiced often during the year that reduced yields of and by themselves paid better than did heavy crops, had some supporters. The big crops brought lower prices while the small crops very generally brought in good money, but high prices were of mighty little use to the men whose crops were actually failures. In any event, the grain crops which, as a whole, gained 8 per cent in quantity were, on the basis of December 1 unit prices, worth 15 per cent less than in 1924.

There were, however, offsets to the rather poor showing made by the farmer collectively speaking. Cattle, hogs and sheep brought more money, taking the year as a whole. Building continued throughout the year to defy unfavorable prediction and the trades catering to all forms of construction were busy, even if the lumber trade had a lean year as regards prices and profits in house-building material.

The automobile and silk manufacturing industries had excellent years; the railroads carried the greatest freight in their history at the best profit, collectively considered, in a decade. Bank clearings and debits again broke all records as in 1924, but these financial indexes coordinated better with trade and industrial records than they did in 1924 when big banking records were reported swollen by a greater percentage of speculation and of loan operations than they were in 1925. Certainly trade and industry seemed to keep more in step with bank operations than they did the year before.

Even in trade distribution there were irregularities, but these latter have been visible for years past. Mail-order and chain-store sales exceeded those of 1924 by far higher percentages than did the sales of department stores, and the small retailers and neighborhood stores were said to have lagged even farther behind the large stores.

Many new records were set up in productive lines. Foreign trade gained and was the best since 1920, with excesses in imports of raw materials indicating that manufacture was active as rarely if ever before. Export trade aided by large shipments of cotton and of manufactured products, particularly automobiles, reflected little of the loss of trade in wheat and animal fats.

If failures in business are to be regarded as a guide to net results the showing was certainly a good one with the smallest number and the lowest liabilities in five years.

Even in bank failures of which the corn belt and the states west thereof had plenty, the damage was far less numerically and financially than in 1924 or 1923. This ebb in bank failures over the three years needs to be remembered when the pessimists are heard from, as they surely will be, at the present session of Congress.

A quick survey of some of the year's big activities may repay perusal in connection with the statements in the foregoing. Bank clearings gained 12.2 per cent over 1924 and bank debits were 15 per cent larger, both totals breaking all records. Import trade gained 16.9 per cent, exports 7.1 per cent and total foreign trade 11.4 per cent. Gold exports were ten times those of 1924 while imports were 61 per cent less. Exports of silver fell off 7 per cent and imports 13.5 per cent.

Money Circulation Fell Off

DESPITE the talk of inflation the circulation of money per capita fell off 1.6 per cent. Gold produced fell 6 per cent but silver production gained half of 1 per cent. New York Stock Exchange sales broke all records with an advance of 60 per cent over 1924, while bond sales fell 11 per cent. Long term security sales of states and minor civil divisions decreased 4 per cent. New securities issued increased 13 per cent to a new peak. Business failures fell off 4 per cent and liabilities 31 per cent from the year before and were the lightest since 1920. Fire losses decreased one per cent but were three-fourths of the peak year 1906.

Gross railway earnings were below the peak year 1923 but 3 per cent above 1924, while net operation income exceeded any year in a decade and was 15 per cent ahead of 1924. Car loadings exceeded 1924 by 5.4 per cent and 1923 by 2.6 per cent. Exports of grains were 14.4 per cent below 1924 and about one-third those of 1920, when, however, prices were far higher. Cotton exports were 16.4 per cent ahead of 1924 and less than 9 per cent below 1920. Exports of meats gained only 1.8 per cent over 1924, while cotton manufactures fell 4.7 per cent and animal oils fell 5 per cent. Exports of petroleum increased 4.8 per cent.

Mail-order sales were at their peak with 15 per cent gain over 1924, chain-store sales gained 14.8 per cent and the two combined gained the same percentage. Sales by 675 department stores for eleven months, however, gained only 4.4 per cent over 1924.

Among the industries, building expenditures exceeded the peak year 1924 by 18 per cent, cotton consumption by 17.6 per cent, iron ore shipments by 26.8 per cent, pig iron production by 18 per cent though 11 per cent below 1923, steel ingot output by 21 per cent, this product likewise exceeding the peak war-year 1917, electric power output by 5 per cent, unfilled steel orders by 13.6 per cent, cement production by 8 per cent, lake canal traffic by 13 per cent, silk consumption by 38 per cent, automobile production by 19 per cent, bituminous coal production by 8 per cent and petroleum output by 6.6 per cent.

In considering the outlook for the future, especial stress seems laid by most observers on the fact that while the farming situation has elements of irregularity, well-diffused employment and activity in building and in other industries with the impetus that business generally has received, hold encouragement for a fairly good trade for a large part of the first half of 1926.

Great Possibilities Abroad

IN LOOKING still further, it may be remarked here that the improvement in the foreign situation of which the Locarno treaties are an example, hold possibilities as yet perhaps not thoroughly appreciated. For instance, the general understanding has been that the trade and industry of Europe, so far as is indicated by foreign trade totals, is still only about on a par with and certainly not superior to that of 1913.

If this is correct and if, furthermore, the visible improvement in exchange conditions in many countries and the better outlook for international politics is any earnest of things to come, then there exists an opportunity for world's foreign trade development that may hold great possibilities.

In other words may there not exist something like a vacuum in European trade which this country may help in filling? This is only a suggestion, but where a trade once existed, it may be possible that it can be rebuilt, and if so, there is contained therein an element of possible support to this country's foreign trade worth considering.

Owen D. Young on Laws

RELIANCE upon natural economic laws, rather than upon man-made, artificial statutes, is preferable, says Owen D. Young, chairman of the Board of Directors of the General Electric Company. The following paragraphs are from a recent address by him:

I desire to speak to you of one of our economic guaranties of the maintenance of this happy position. I do not speak of the political guaranties, because I do not trust them much. If they get in the way of great economic forces, they break down, and even if they run with economic currents, they are unstable and uncertain in a great democracy functioning over a wide and diversified area like our own. For example, one has heard from time to time mutterings and differences of opinion about the tariff. One is led to think that our sumptuary laws which increase our efficiency and diminish our wasteful and unhealthful expenditure, even when embodied in the constitution, are not universally acceptable. One is not certain even of the maintenance of restraints which keep an unreasonable number of foreigners from our shores. These are all merely man-made—in fact, Congress-made—rules, superimposed on a great moral and economic structure underneath, and like all man-made plans, they may change or pass away.

Mutt said to Jeff—"Do you know the world is round—that right down through the earth on the other side are four hundred million Chinese people?" Jeff asked—"What keeps them on?" Mutt answered—"The law of gravity." And Jeff skeptically inquired—"What did they do before the law was passed?"

I prefer to rely upon the law of gravity to hold me on the earth, and upon the law of economics to maintain my living conditions rather than upon any man-made laws which may be passed or revoked.

Studebaker Standard Six Duplex-Roadster

$1125

Freight and war tax extra



One-Profit Studebakers

Enable salesmen of the Long-Bell Lumber Company to travel for as little as *5 cents per mile*

THE Long-Bell Lumber Company of Kansas City is another of the many national concerns which have proved that it pays to supply salesmen with One-Profit Studebakers.

Ten Studebaker cars are being used by this company's representatives. Two have traveled over 27,000 miles, while the average mileage of the ten is 11,720 miles. Cost records covering gasoline, oil, tires, repairs, garage rent, cleaning, insurance, and license, show that the *average operating expense is as low as $.0542 per mile.*

More profitable in the long run

This is fresh proof that the 6-cylinder Studebaker car can be operated for practically the same cost as the ordinary 4-cylinder car which averages from 5½ to 6 cents per mile.

Expetience proves further that the slightly higher first cost of Studebaker equipment is counter-balanced by superior performance and years' longer service resulting in much lower depreciation.

Thus, the One-Profit Studebaker is actually more profitable in the long run. In addition its much finer appearance creates prestige. And its greater power, greater comfort, and greater dependability enable the salesman to cover more territory and produce more business.

Entirely new-type open car

The Studebaker Standard Six Duplex-Roadster, illustrated above, has many practical advantages as a car for salesmen. Within its steel-framed top are concealed the famous Duplex roller side enclosures which banish curtain trouble and give protection from rain or storm in 30 seconds. It has 18 cubic feet of water-tight, dust and dirt-proof storage space under its rear deck for samples, advertising matter and personal baggage.

The engine, according to the rating of the Society of Automotive Engineers, is the most powerful in any roadster of its size and price.

Other conveniences include an 8-day clock, gasoline gauge on dash, automatic windshield cleaner, rear-vision mirror, stop light, spare tire lock and a coincidental lock to ignition and steering wheel.

A better car at a lower price

Like every Studebaker, this Standard Six Duplex-Roadster is Unit-Built on the One-Profit basis. All its vital parts are built in Studebaker plants. As a result Studebaker saves the profits of outside parts suppliers and is able to offer a finer quality car at a One-Profit price—a car that is Unit-Built to give scores of thousands of miles of excess transportation, greater riding comfort, lower upkeep, and, finally, higher resale value.

STUDEBAKER CARS COST LESS IN THE LONG RUN

When asking for further information about STUDEBAKERS *please mention Nation's Business to the dealer*

McCarl—He Guards the Cash

And Sometimes It Seems to Be Very Petty Cash That Worries Him, But There's a Reason for It

By ROBERT B. SMITH

Member of the Washington Staff, Philadelphia Public Ledger

IF AN unpopularity contest could be held among the employes of the Federal Government, the result would be a landslide for J. R. McCarl, Comptroller General of the United States. From cabinet officer down to janitor, the vote would be well-nigh unanimous for awarding him the brown derby.

This may sound like a harsh introduction, but even Mr. McCarl probably will agree that it's true and say that he cares little. He gets his consolation out of the belief that if the election could be broadened to take in all the taxpayers of the United States he would get a vote of confidence by an equally one-sided margin.

A Sixth Sense

MR. McCARL is the official watch-dog of the United States Treasury. He is the man who audits all of Uncle Sam's expense accounts. Be it the purchase of a five-cent lead pencil or a $50,000,000 battleship, the expenditure must run the gauntlet of his office before it gets the Government's final O.K. It takes a slick penny to get by him. He goes through the bills with a microscope and a fine-tooth comb and he has a sort of sixth sense which enables him to detect a tainted expenditure before he even sees it.

When he spies an illegal item he pounces upon it with the merciless vigor of a cat upon a mouse. There is a pitiless swish of the blue pencil and out goes the item, accompanied by a terse little decision telling the offending official just why it was unlawful to spend the money in that manner.



TAKEN ESPECIALLY FOR NATION'S BUSINESS, © UNDERWOOD & UNDERWOOD, WASH.

J. R. McCarl is the official watch-dog of the United States Treasury. He is the man who audits all of Uncle Sam's expense accounts

Some of his recent rulings have earned him such titles as "the poobah" and "Hard-boiled" McCarl. Chief Justice McCoy of the District of Columbia Supreme Court went so far as to say he has ice-water in his veins instead of blood.

For instance: An official of the Government, sent away on an errand of official business, took a train from Washington at 6 o'clock. He ate his dinner on the train and when he returned to Washington and turned in his expense account he included in it an item of $1.50 to cover the cost of the meal. The disbursing officer thought an employe of the Government was entitled to eat dinner on the train and paid the expense account without a murmur. In the course of time, it reached McCarl. He promptly rejected it. He ruled that the employe had had ample time to eat dinner before he left home and, moreover, that Congress had failed to make an appropriation for that purpose. Consequently there was no money in the Treasury to make such a payment legally. Extensive correspondence ensued, but McCarl stood his ground and eventually the money came back to the Government. McCarl contended that, if the bill were allowed, government workers would be finding excuses to eat dinner on Uncle Sam at every opportunity and the eventual result would be loss of thousands of dollars to the Treasury.

The Veterans Bureau mailed a compensation check to a badly disabled ex-service man. It arrived a few hours after he died. His widow, in dire need, undertook to cash it, and succeeded. McCarl ruled that the transaction was contrary to law. The check was payable to one person and no other person could cash it. However humane the purposes of the Bureau had been, the cashing of the check for someone other than the payee might establish a precedent that would result in widespread irregularity, he ruled. Despite the pressure for sentimental reasons, he was unyielding and the Bureau had to find other ways of affording relief to the widow.

Limits Tipping

AMERICAN embassies, legations and other diplomatic and consular posts throughout the world have long been accustomed to buying, at government expense, distilled drinking water to guard themselves against typhoid and dysentery which lurks in some foreign waters. McCarl called a quick halt on that practice. He had no objection to American diplomats drinking specially purified water, but he insisted that they must foot the bill themselves.

Government officials who lavished tips upon bell-hops, red-caps, and waiters, found themselves compelled to restrain their generosity or make it good out of their own pockets. One of them turned in a carefully itemized expense account setting forth his tips in detail. McCarl took pen in hand and promptly established a new scale of tipping to apply in the future. Thereafter, he said, when a man has two bags he may tip a bell-hop or a porter 25 cents, but if he has only one bag the tip must be limited to 15 cents. McCarl will not join in smiling at the close economy of this ruling but will point out to you that where thousands of persons are doing their tipping on Government money, the gratuities, if no limit were fixed, would run into many

Do you get your money's worth when you travel?



One thing about which we never have a complaint in these hotels any more is our room-rates.

We haven't a room, you see, that hasn't its own private bath, circulating ice-water, a full-length mirror, a bed-head reading lamp, plenty of conveniences that add to your comfort. And our rooms, our houses as a whole, are kept in new condition—clean, bright, attractive.

Yet our rates are unusually low, compared with those of other first-class hotels.

We put a morning paper under your door—but it never shows up in your bill. Merchandise at our news and cigar stands is sold at the same prices street-stores charge. We protect you against tip-extraction, for unrequested service, in our public rooms and washrooms.

But we don't overcharge you some place else—and thus risk losing the good will those policies win for us.

And service? Statler service is rendered by well-built, well-seasoned organizations that operate under the broadest policies of guest-satisfaction known to the hotel world. And if some little thing does happen to go wrong, in this humanly-rendered service, we're right there to make it satisfactory to you in any way we can.

You can be sure of getting your money's worth, and something more, in these hotels.

E. M. Statler

Rates are unusually low, in comparison with those of other first-class hotels.

Single rooms are from $3 in Cleveland, Detroit and St. Louis; from $3.50 in Buffalo, and from $4 in New York.

Twin-bed rooms (for two) are from $5.50 in Cleveland, Detroit and St. Louis; from $6.50 in Buffalo, and from $7 in New York.

And remember that every room in these houses has its own private bath, circulating ice-water, and many other conveniences that are unusual.

Boston's Hotel Statler is Building:

In the Park Square District of Boston the new Hotel Statler is building—1300 rooms, 1300 baths—to be opened late in 1926. Adjoining the hotel is The Statler Office Building, with 200,000 sq. ft. of desirable space for offices.

Buffalo—and Niagara

The newest Hotel Statler (1100 rooms, 1100 baths) is in Buffalo—delightfully situated on Niagara Square. Across the street from it is the new Statler Garage, a marvel of convenience throughout—and especially appreciated by tourists visiting NIAGARA FALLS, which is but 23 miles away. The old Hotel Statler in Buffalo is now called HOTEL BUFFALO.

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Hotel **Pennsylvania** *New York*

The largest hotel in the world—with 2200 rooms, 2300 baths. On Seventh Avenue, 32d to 33d Streets, directly opposite the Pennsylvania Station. A Statler-operated hotel, with all the comforts and conveniences of other Statlers, and with the same policies of courteous, intelligent and helpful service by all employees.

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thousands of dollars in a year. One day there was a state funeral in Washington and the Navy Department sent an official wreath costing $15. The item was paid by the Navy disbursing officer, but when it reached McCarl it was turned down flat. His edict seemed to be somewhat unfeeling but again he pointed out that, while he had no objection to the Navy sending wreaths to funerals, Congress had neglected to make an appropriation for that purpose.

An Army officer tried to get compensated for the loss of his horse which was killed under him by a stray bullet in target practice. The officer's own escape from death or serious wound was close enough. He asked the Government to reimburse him and his immediate superiors agreed to do so. McCarl held that there was no fund available for the compensation of officers who put themselves or their horses in the way of stray bullets in target practice. And the officer must go horseless to this day if he has been waiting on McCarl to approve the item.

Silk Shirt for a Prisoner

A GENEROUS warden at the penitentiary sanctioned the purchase of a silk shirt for a prisoner who had just completed his term. McCarl pondered over the item for a long while when it reached him. There was something about it that must have touched his sympathies. He finally allowed it but sent out a warning: "No more silk shirts for prisoners."

A medal of honor and $100 was bestowed upon a heroic tar who had served on the *Old Kearsarge*. Everyone agreed that it was a meritorious case. McCarl agreed, too, personally but when he came to examine the item he found that the law prohibited such awards except under certain circumstances which did not apply to the case involved. So he disallowed it.

These and hundreds of other similar cases have gained McCarl his somewhat unenviable reputation for flinty-heartedness. He does not feel called upon to explain his decisions or apologize for them, but if you inquired carefully into them you would find that he frequently has to brace himself against sentimental considerations. If he yielded to one, it would be like the tiny hole in the dike and millions of dollars would go pouring out of the Treasury every year. He has sought to put the accounting office on a strict business basis, administering it as Congress directs by law and not like other unauthorized persons would have it administered.

Sometimes, McCarl runs counter to a claimant just as meticulous as he in insisting upon the niceties of principles. Not long ago, he disallowed a claim of 35 cents made by one of the country's biggest railroads.

High Officials Rant and Rave

HE RULED that it failed to measure up to certain technical requirements all of which were set forth in an opinion written as carefully as if it involved $35,000,000 instead of 35 cents. The railroad was just as anxious as McCarl to preserve the principle involved. A long drawn out dispute ensued, all over 35 cents, the railroad contending that if it failed to carry its point, the loss might be heavy in the future years, and McCarl insisting that the claim was not a legal one. Eventually the railroad found itself facing a blank wall of McCarl's unyielding opposition and the controversy came to a standstill.

High officials rant and rave at him because his interpretation of the law is different from theirs. They swear eternal vengeance against him and sit up nights trying to think up ways of forcing him to terms. But McCarl moves serenely on his way, on the alert always for items of unauthorized expenditures and secure in his confidence that he is discharging the duties of his office as Congress intended.

The extraordinary reach of his powers are just beginning to be realized. In its zeal to tighten its grip on the Government purse-strings, Congress builded better than it knew. It set up an office and filled it with a man whose performance surpasses its fondest dreams of controlling expenditures.

There, in his office, McCarl sits entrenched and there he will continue to hold sway for eleven more years by the grace of God and Congress. No other power can remove him. His term of office lasts fifteen years, of which he has served four, and he is removable, not by the President or by the courts, but solely by joint resolution of both Houses of Congress. The President appointed him but only a majority at both ends of the Capitol can remove him.

Time was when an opinion by the Attorney General as to the meaning of an act of Congress was considered binding upon all the officials of the Government, including the Comptroller of the Treasury, who was the Government's chief accounting officer before the establishment of the budget system. If the Attorney General ruled that an expenditure was legal that almost invariably settled it.

Before McCarl Took Office

THERE is a story that once in the days of the Roosevelt administration an appeal was taken to the Attorney General from an adverse ruling of the Comptroller of the Treasury. The Attorney General overruled the Comptroller but the Comptroller stood pat, holding that the Attorney General could not overrule. Roosevelt said: "I can get a new Comptroller of the Treasury," and he did.

That was before McCarl took office under the new budget law. Not long ago a similar conflict arose. The dispute was carried to the Department of Justice and the Attorney General ruled that the expenditure was legal and therefore should be paid. McCarl sat tight and wrote a brief reply to the Attorney General thanking him for his opinion but informing him that it was "only persuasive and not binding." There was no Roosevelt in the White House to fire him and it wouldn't have made any difference if there had been, unless the Chief Executive could have persuaded Congress to adopt a joint resolution removing him.

As long as McCarl continues as he has been going, however disagreeable his rulings may be to the government employes, there is little likelihood that he will be removed. In the first place his policies fit in admirably with President Coolidge's own economy program and there is reason to believe that the President thoroughly endorses McCarl's administration. Regardless of the fact that the Chief Executive has no power to remove him, it is undoubtedly an asset to any official, even McCarl, to have the President's support.

Moreover, it is noteworthy that the howls all come from the spending portion of the Government and not from the appropriating end. Capitol Hill does not join in the anvil chorus against McCarl. The accounting officer is on the safest kind of ground as long as he keeps on interpreting the acts of Congress strictly and giving the benefit of all doubts to the side of economy. Congress isn't likely to turn on him for being its too faithful representative. If he took the other course and interpreted too liberally and winked at questionable expenditures, Congress probably would look at it differently. But Congress likes to have its appropriations spent in the manner it has directed. If there is any squandering of public funds it wants to do that in its own way.

Looseness of Responsibility

McCARL is the first and only Comptroller General of the United States. He came into power by appointment of President Harding with the establishment of the budget system in 1921. He found the governmental machinery for the transaction of business so antiquated and rusty that it creaked. It functioned in a manner that would have driven any private enterprise into bankruptcy in a month.

The biggest flaw in its spending and accounting system was its looseness of responsibility. To begin with, the Federal Government had, and still has, for that matter, some 3,000 agents scattered far and wide over the country disbursing the $4,000,000,000 appropriated annually by Congress. These men were, and still are, responsible to the head of the department to which they are attached. They get their appointment through him. He can hire them and fire them virtually at will.

Consequently when a department head or bureau chief approves a bill or an expense account, there is little hesitation on the part of the disbursing officer about paying it. That situation is accentuated in the case of the Army and Navy disbursing officers. They are under military discipline. When their commanding officer orders them to pay a bill they would be guilty of insubordination and subject to court-martial if they disobeyed no matter how they might feel about the legality of the expenditure. They are between the devil and the deep-blue sea. Under the military code they must pay the bill and under the civil law they must account to McCarl.

Bonding Companies Hard Hit

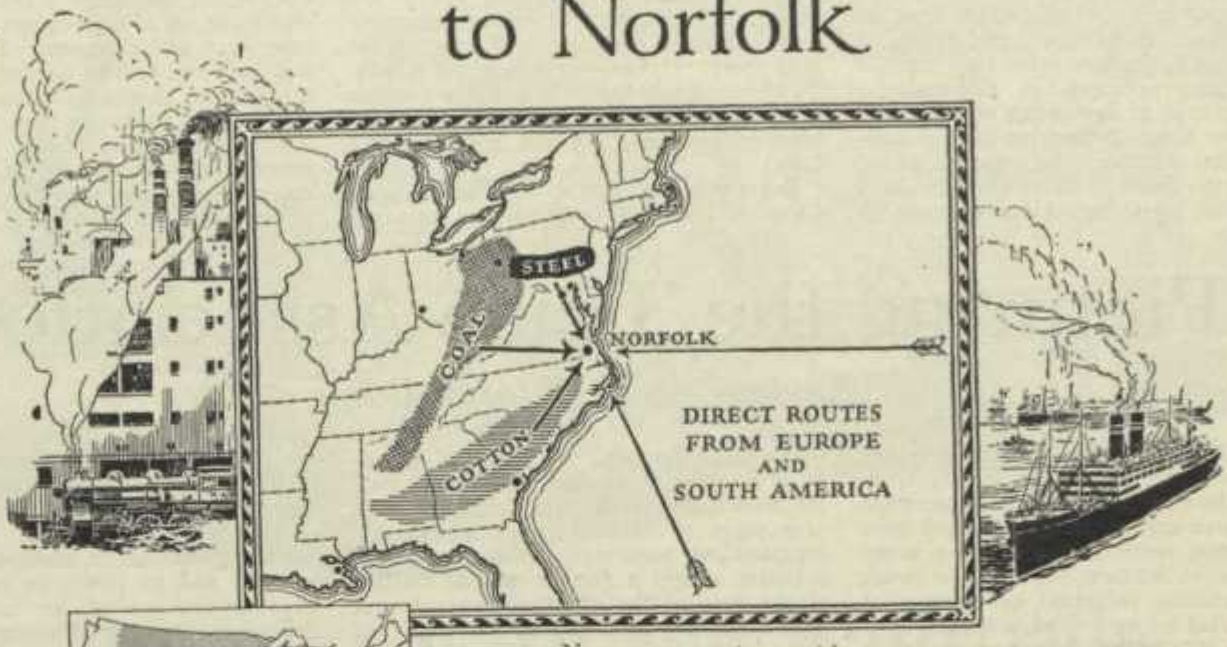
THE DISBURSING officers send their accounts to the general accounting office in Washington and McCarl audits them. When he finds an unauthorized expenditure or an overpayment he loses no time in telling the disbursing office about it. The disbursing officer invariably insists the payment was legal and spends a day or two of government time preparing a lengthy statement undertaking to prove his contention to McCarl. Usually, McCarl is unconvinced and he orders the money returned.

As a rule the disbursing officer is a man of small means and is bonded only in small proportion to the thousands of dollars he pays out. Here it is then that the bonding companies enter into the controversy. McCarl proceeds against them in the courts and frequently gets what he is after except where the amount of the bond falls short of the amount of the illegal expenditure. The result is that the bonding companies are hard hit and are threatening to increase their premiums on government disbursing officers to such an extent that it may compel Congress to take cognizance of the situation and provide other means of protection.

In searching for illegality, McCarl examines for two things:

First, whether there is an appropriation

NOW - - Industry turns its eyes to Norfolk



Norfolk—the center of raw materials



Shaded sections indicate territory where freight rates are cheaper from Norfolk than from a North Atlantic Port



Shaded sections indicate territory where freight rates are cheaper from Norfolk than from a South Atlantic Port



Shaded sections indicate territory where freight rates are cheaper from Norfolk than from a Great Lakes Port

BIG MEN OF INDUSTRY—planning today for tomorrow's expansion—are focusing their attention upon Norfolk, the tidewater city of Virginia.

Many giant industries have already established plants at Norfolk; many more are shaping their plans in that direction. For Norfolk—and Portsmouth, its industrial neighbor—offer to industry three great opportunities—cheap raw materials—low manufacturing costs—exceptionally economical distribution to both domestic and foreign markets.

Are raw materials a vital factor in your industry? Cotton, coal, steel, lumber, and tobacco are in abundance at Norfolk's very gates. By water—at low freight rates come sugar, molasses, iron ore, rubber, fertilizer materials, coffee.

Are manufacturing costs your most serious problem? Norfolk's fuel supply is always abundant—always cheap. Immense coal fields are close at hand. The city itself is a center of distribution for fuel oil. Labor is plentiful and high class. Only 4.8% of the population of Norfolk-Portsmouth is foreign born—less than one-sixth the rate for Boston, Chicago or New York.

Are you seeking a central point for distribution of your finished product? Both Nature and the hand of man have combined to make of Norfolk a distributing point excelled by none. By land eight great railways carry its finished products by easy haul to the great consuming markets of the United States.

From Norfolk's harbor—free all year from ice—seven coastwise lines reach out to all points of the North Atlantic coast. Express steamship service at freight rates cuts down the cost and time of distribution for Norfolk's finished products.

NORFOLK stands today at the threshold of its future greatness. Its magnificent natural harbor facilities can expand indefinitely without congestion. An abundant acreage with deep water frontage provides unequalled plant sites at moderate cost.

Let our industrial engineers prepare for you a survey of the Norfolk-Portsmouth area. They are prepared to discuss with you the particular problems relating to your own industry. All communications held in the strictest confidence. Address the Norfolk-Portsmouth Industrial Commission, Dept. A, Chamber of Commerce, Norfolk, Va.

Some representative industries recently established at Norfolk-Portsmouth:

Ford Motor Company
International Portland Cement
White House Coffee
Sinclair Oil
Virginia Worsted Company
Old Dominion Distilling Corporation

NORFOLK-PORTSMOUTH
Chamber of Commerce

for the amount of the expenditure. Second, whether there was a legal obligation on the part of the Government.

If it meets these two tests the item is approved no matter how McCarl might feel personally about it. But those two tests are fairly bristling with obstructions to halt an expenditure.

One chief source of friction over McCarl's rulings arises from the incorrigible habit of administrative officials trying to spend money for some purpose other than that for which Congress appropriated. For instance, the Department of Agriculture may want to build a new barn. It finds no money available for that purpose. But examination of the accounts shows a balance in the fund appropriated by Congress for measure to combat the boll weevil. The officials in charge order that used for building the barn.

When the bill for the construction of the barn reaches McCarl he finds there was no appropriation for that purpose. The expenditure fails to meet the first of his two cardinal requirements. He blue-pencils it without a moment's hesitation and a row ensues. The Department insists the expenditure was legal. Moreover, the money has been spent. McCarl's duty is to get it back. To try to get it from the disbursing officer is futile so McCarl proceeds against the bonding company and the money comes back.

Eventually, an appeal may be made to Congress and that body, finding that the barn was necessary, may reimburse the bonding company but that is something apart from McCarl's concern.

The remedy for the system which McCarl is trying to cure lies in cutting down the number of disbursing officers to about 30 instead of 3,000. Instead of a myriad of spenders with indefinite responsibility, McCarl would then have a compact organization made up of high-caliber men of tested experience and character. They should be well paid and heavily bonded. Finally their appointment should be taken as far as possible out of politics so that they would be in better position to exercise their own independent judgment as to the legality of an expenditure rather than bowing to the will of a superior official.

Picturing the Trade Association

Review of a Helpful Book

IN THE past we have sometimes looked at those rather formidable lists of trade associations published by the Department of Commerce and other agencies and have tried to form some picture of these many associations of business men each at work in its particular industrial or commercial setting. What we have tried to do, has been done by F. Stuart Fitzpatrick in "A Study of Business Men's Associations" (Olean Times Publishing Company Press, Olean, N. Y., 1925). Mr. Fitzpatrick is assistant chief of the Organization Service Bureau of the United States Chamber of Commerce.

In this book, he has given his reader a concrete picture of the extent, position and importance of organized trade groups in the economic activity of this country. He has done this by taking a cross-section of American business life and by describing the organization and activities of representative trade organizations in each classification. The classification used is, in the main, that used by the Chamber of Commerce of the United States in organizing its service departments for American business. It comprises basic industries, manufacturing, domestic distribution, transportation, communications, foreign commerce, finance, and insurance.

In basic industries, for example, we are given a description of trade groups in the fields of coal production, iron and steel, lumber, petroleum, gas, electric power, and fertilizer manufacture. Again, in manufacturing, where the number of trade organizations increases very considerably, the picture is presented to the reader by a process of sampling through which are described those trade groups in industries which supply men with their elementary wants, clothing, food, shelter, and so on.

Chambers of commerce and state and local trade groups are brought into the picture in an opening section on the geographical and sectional associations of business men. There is also a chapter on federations of business men's associations which describes the organization and work of the Chamber of Commerce of the United States, the International Chamber of Commerce, and the National Industrial Council. All in all the reader gathers from this book a clear conception of what organized business means.

A descriptive book of this sort necessarily has some interesting by-products. One is the author's viewpoint, developed briefly in the opening chapter, of the social significance of these associations of business men. He holds "that the growth during the past fifty years of business men's membership organizations, particularly trade associations, indicates clearly a further gradual shifting of the base of the directing forces in our industrial and commercial life from the individual or individual establishment to the organized group, and that in this gradual change there is evidence of a new structuralization of our economic life, implying social and political consequences as yet but imperfectly perceived." No doubt there is something to this.

Significance of Activities

IT IS difficult for us to appraise the full significance of activities of which we are an intimate part. The author, we gather, does not undervalue the importance of the individual, but rather emphasizes his increased importance as a leader in the organized group, making a distinction, however, between the importance of the individual as a leader in the group and the importance of his activity alone as compared with a group's activity.

Another by-product is the explanation of the when and of the why these associations of business men came to be. The author devotes a short chapter to their history. He seeks an explanation of the origin of business men's associations in the competitive conditions which were ushered in along with the steam-engine, science, the use of credit and a few other things which gave us our modern commercial and industrial life. "Just as the merchant guilds," the author states, "are understood fully only when one sees them in a background of medieval economy with its customary prices, so these present-day associations are to be understood only in the background of our modern economy with its competitive prices."

Still another by-product, the last to which we shall refer, is the relations of these associations of business men to government. This book has an interesting and suggestive chapter on this subject. There has been a great deal written in the past few years on the legal aspects of the relations of trade organizations to government at that point where their activities infringe or are supposed to infringe anti-trust laws. The author refers to this but his primary interest is in the more positive relations of these associations to government in connection with matter of legislation and administration. We quote a few paragraphs from this chapter:

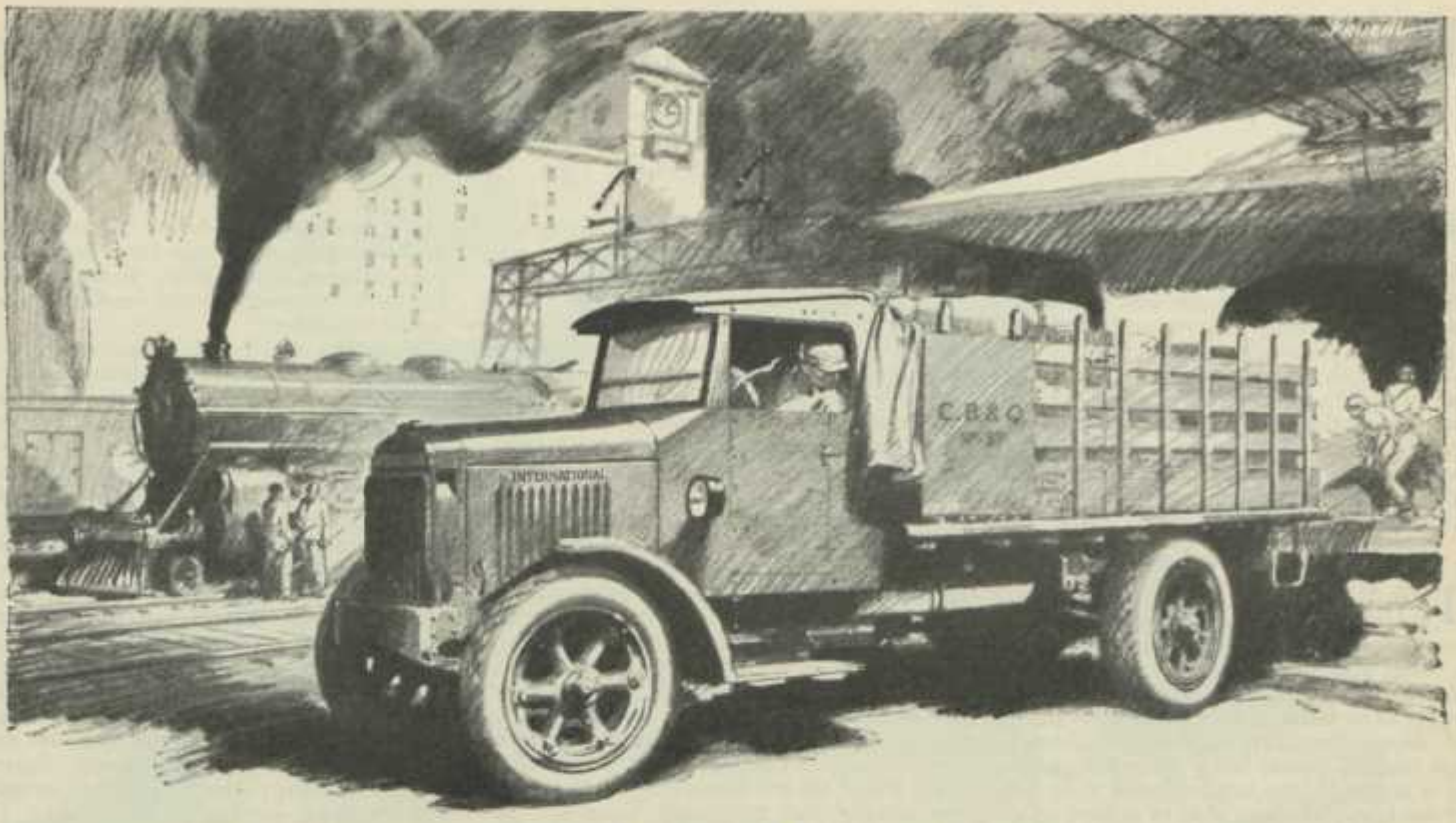
"The government's monopoly of currency issuance and its power to tax create, and have always created, an important interdependence between business and government, because of the effect the exercise of these prerogatives may have on the flow of liquid capital into new and old undertakings. There is also in this country the time-honored interdependence of industry and government which grows out of the public policy of encouraging industrial growth through protective tariffs. But these are by no means all of the causative factors of this interrelation.

"The business expansion, which during the past century has with increasing rapidity created an industrial and urban civilization, has given rise to many new problems, which required, or seemed to require, government action for their solution. Child labor, women in industry, conditions under which factory operatives worked, urban congestion with its problems of health and recreation, the growth of monopolies and other matters called for government intervention. The Government, intervening through workmen's compensation, minimum wage, child labor protection, factory acts, and other social legislation and through laws designed to enforce free and open competition, brought about a further measure and a new order of interdependence between it and the business life of the country. But even that is not all.

"The problem of the distribution of wealth itself became a political, as well as economic, problem. Demands were made for readjustment of inequalities or relief from disabilities through government action.

"Still further, the importance of transportation, communication, power and other public utilities in an intricate industrial civilization inevitably resulted in more and more government regulation of rates and services and even management, and in some instances in government ownership and operation."

As a result of these conditions there has grown up an important positive relationship between associations of business men and government, which has brought into the process of politics, in the larger sense of that word, a new unit, the business man's organization. —W. B.



Popular with the Railroads

THE railroads of this continent are the world's greatest railroads and surely they know transportation. Their opinion of any truck should be a good indication of that truck's worth—good advice to follow!

These great railways buy hauling units on a cold dollars-and-cents basis per ton-mile of service delivered, and they buy Internationals. Seeking operating economy and truck stamina that lasts for years, they rely on Internationals.

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Chicago, Milwaukee & St. Paul	Canadian National	
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Missouri, Kansas & Texas	St. Louis, Southwestern	
Pennsylvania System	Union Pacific	
New York Central Lines	Nickel Plate Road	
Southern Pacific	Chicago & Northwestern	
Minneapolis & St. Louis	Canadian Pacific	
Elgin, Joliet & Eastern	Great Northern	
Illinois Central	Soo Line	Monon Route

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INTERNATIONAL HARVESTER COMPANY TRUCKS

The International line includes a Speed Truck for 2000-pound loads; Heavy-Duty trucks ranging from 3000 to 10,000 pounds, maximum capacities; and Motor Coaches for all requirements. International has the largest Company-owed truck service organization in the world—112 branches in this country alone—the farther you go from one the nearer you get to another

Our 112 branch houses are located in the cities listed here; and in addition there are dealers located conveniently from one end of the country to the other.

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Akron, Ohio
Albany, N. Y.
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Billings, Mont.
Birmingham, Ala.
Bismarck, N. D.
Boston, Mass.
Brooklyn, N. Y.
Buffalo, N. Y.
Camden, N. J.
Cedar Falls, Iowa
Cedar Rapids, Iowa
Charlotte, N. C.
Chattanooga, Tenn.
Cheyenne, Wyo.
Chicago, Ill. (3)
Cincinnati, Ohio
Cleveland, Ohio
Columbia, S. C.
Columbus, Ohio
Council Bluffs, Iowa
Dallas, Texas
Davenport, Iowa
Dayton, Ohio
Denver, Colo.
Des Moines, Iowa
Detroit, Mich.
Dubuque, Iowa
Duluth, Minn.
East St. Louis, Ill
Eau Claire, Wis.
Elmira, N. Y.
El Paso, Tex.
Evansville, Ind.
Fargo, N. D.
Fort Dodge, Iowa
Fort Wayne, Ind.
Fort Worth, Texas
Grand Forks, N. D.
Grand Rapids, Mich.
Green Bay, Wis.
Harrisburg, Pa.
Helena, Mont.
Houston, Texas
Hutchinson, Kan.
Indianapolis, Ind.
Jackson, Mich.
Jacksonville, Fla.
Jersey City, N. J.
Kankakee, Ill.
Kansas City, Mo.
Knoxville, Tenn.
Lincoln, Neb.
Little Rock, Ark.
Long Island City, N. Y.
Los Angeles, Calif.
Louisville, Ky.
Madison, Wis.
Mankato, Minn.
Mason City, Iowa
Memphis, Tenn.
Milwaukee, Wis.
Minneapolis, Minn.
Minot, N. D.
Nashville, Tenn.
Newark, N. J.
New Orleans, La.
New York, N. Y.
Ogdensburg, N. Y.
Oklahoma City, Okla.
Omaha, Neb.
Parkersburg, W. Va.
Parsons, Kan.
Peoria, Ill.
Philadelphia, Pa.
Pittsburgh, Pa.
Portland, Ore.
Quincy, Ill.
Richmond, Ind.
Richmond, Va.
Rochester, N. Y.
Rockford, Ill.
Saginaw, Mich.
St. Cloud, Minn.
St. Joseph, Mo.
St. Louis, Mo.
Salina, Kan.
Salt Lake City, Utah
San Antonio, Texas
San Francisco, Calif.
Shreveport, La.
Sioux City, Iowa
Sioux Falls, S. D.
South Bend, Ind.
Spokane, Wash.
Springfield, Ill.
Springfield, Mass.
Springfield, Mo.
Springfield, O.
Terre Haute, Ind.
Toledo, Ohio
Topeka, Kan.
Watertown, S. D.
Wichita, Kan.
Winona, Minn.

When writing to INTERNATIONAL HARVESTER COMPANY OF AMERICA *please mention Nation's Business*

Building a 'Round-the-World Service

By Capt. ROBERT DOLLAR

President, Dollar Steamship Lines

NOW THAT our 'round-the-world service has ended its second year of operation I feel quite free to discuss the progress we have made and also to explain how we came to institute this service, the first of its kind.

I am of the opinion that what we are doing to build up American shipping throughout the world is a matter which concerns every business man in the country. Without ships of its own a nation loses much of its commercial independence which in turn causes its foreign trade to suffer.

Shipping Field Unlimited

THE SUCCESS of a steamship company lies in the service it performs for both traveler and shipper. No matter whether a vessel plys up and down a river or across the world, it ceases to be an asset to its owner in as far as it fails in the performance of dependable service. Because America has made a deeper study of public service as it applies to the betterment of every line of work and has been able to achieve excellent results from the application of this theory of business contact, I contend that the field for American shipping is unlimited. The work we are doing now is purely the foundation for the tremendous expansion of the country's ocean commerce which will come with the years.

The first really radical departure from our established method of doing business came in 1923 when we decided to start our 'round-the-world service. Up to that time we had been wholly interested in the carriage of freight on our vessels. The new service included both passengers and freight, and since then we have added another passenger and freight fleet to our company.

In the beginning our company was a small lumber concern. We had two small rooms in lower California Street in San Francisco where we sold our product which was milled up near the Oregon line. Our first venture in shipping came as a result of our inability to secure reasonable and dependable transportation for our lumber. We bought a 260-ton steam schooner to solve this problem. It was named the *Newsboy* and we were very proud of it. That was in 1893.

Several years later the advantages of entering the China trade presented themselves and we chartered a trans-Pacific steamer. We lost money but that did not deter us from promptly buying a small freighter.

This time the tide was in our favor and by degrees our business increased. In 1923 at the time of our purchase of the fleet of seven vessels from the United States Shipping Board for our 'round-the-world service, we already had 13 freight boats and ten sailing ships in operation. The combined tonnage of these 23 ships was 133,038 tons. At the present time we own and operate 27 freight and passenger steamers which have a combined tonnage of 393,756 tons. That to my way of thinking represents a healthy two years' growth.

Unlike many steamship companies, we waited until after the war before we began to think of increasing the scope of our operations. It has always been my policy to look well ahead and plan for the future and I knew that the great boom American shipping was undergoing during the war would be bound to suffer badly from deflation at the conclusion of hostilities. It seemed wiser for us to wait until world conditions readjusted themselves.

As I have said before, shipping is a public service. Just then the public was not interested in shipping. While we were waiting for more settled conditions we considered the opportunities offered by various trade routes. We also looked over all available tonnage with a view to finding what was most suitable for our purpose.

There were many ships of war-time construction laid up in San Francisco Bay at that time. Among the ships I inspected was a government-owned vessel named the *Creole State* (now the *President Hayes*). This ship was one of a fleet of seven sister ships the Government was offering for sale. It represented my favorite type of vessel, being of 20,000 displacement tons, 522 feet long and with a speed of 16 knots. Passenger accommodation for 150 persons occupied the amidships portion of the vessel. The twin screw reciprocating engines were another feature I approved of in this vessel. It was also oil burning with ample storage tanks so necessary for long voyages.

We did nothing definite at the time regarding the purchase of the *Creole State* and its sister ships as we felt that the service we proposed instituting was such a big undertaking that every detail of the route would have to be settled first.

I Visited the Principal Ports

ACCORDINGLY I left in April of 1921 for a world tour. I made the greater portion of the trip on the *Robert Dollar*, one of our freighters which had been in 'round-the-world service for over a year. I visited all the principal ports of the Far East and southern Europe making a careful survey of harbor facilities and business conditions in general. We already had our offices in the principal cities of China which had been established for the purpose of caring for our lumber and freight business, but we knew that if we were going to build up a world route, agencies would be required in every port of call.

Upon my return to America in February, 1922, I was summoned to Washington by the late President Harding to attend a conference of Pacific coast shipping men. At the meetings I gave a favorable report regarding the possibility of a 'round-the-world route but opinion generally held that I was planning too big an undertaking.

Fourteen months later we bought the fleet of seven sister ships which included the *Creole State* and went forward with plans for the immediate operation of these vessels.

We realized that the confidence the public would have in our plan of operations would be a deciding factor in its success certain. Our first step toward achieving this end was our sailing schedule. This schedule differed in no way from the ordinary railroad time table. The exact hour of arrival and departure of all vessels from every port was shown. We pledged ourselves to see that this schedule was upheld at all times.

Our next move was to issue all 'round-

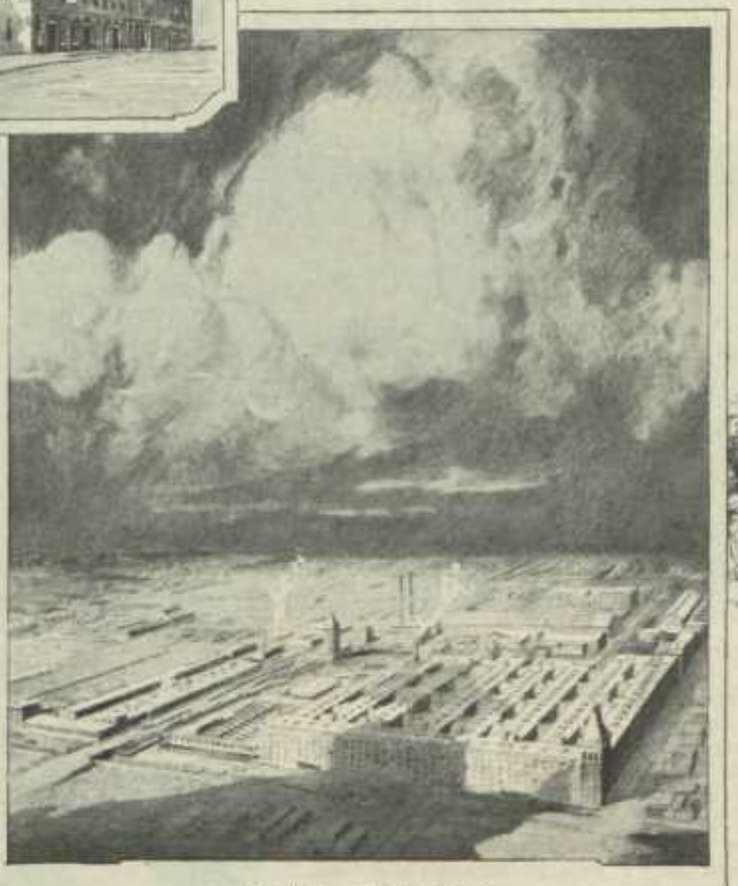


Lobby of the Robert Dollar Building in Shanghai, China. The Dollar Company began as a small lumber concern in two rooms in San Francisco, and in 1893 ventured into shipping with one vessel. Today the Dollar Lines owns and operates 27 ships and has offices in 21 ports of call around the world



Western Electric in 1877





Part of the Western Electric of today. The great telephone factory at Chicago.



Grown Great Through Service

THE men of history grew great according to the measure of their service. So with institutions.

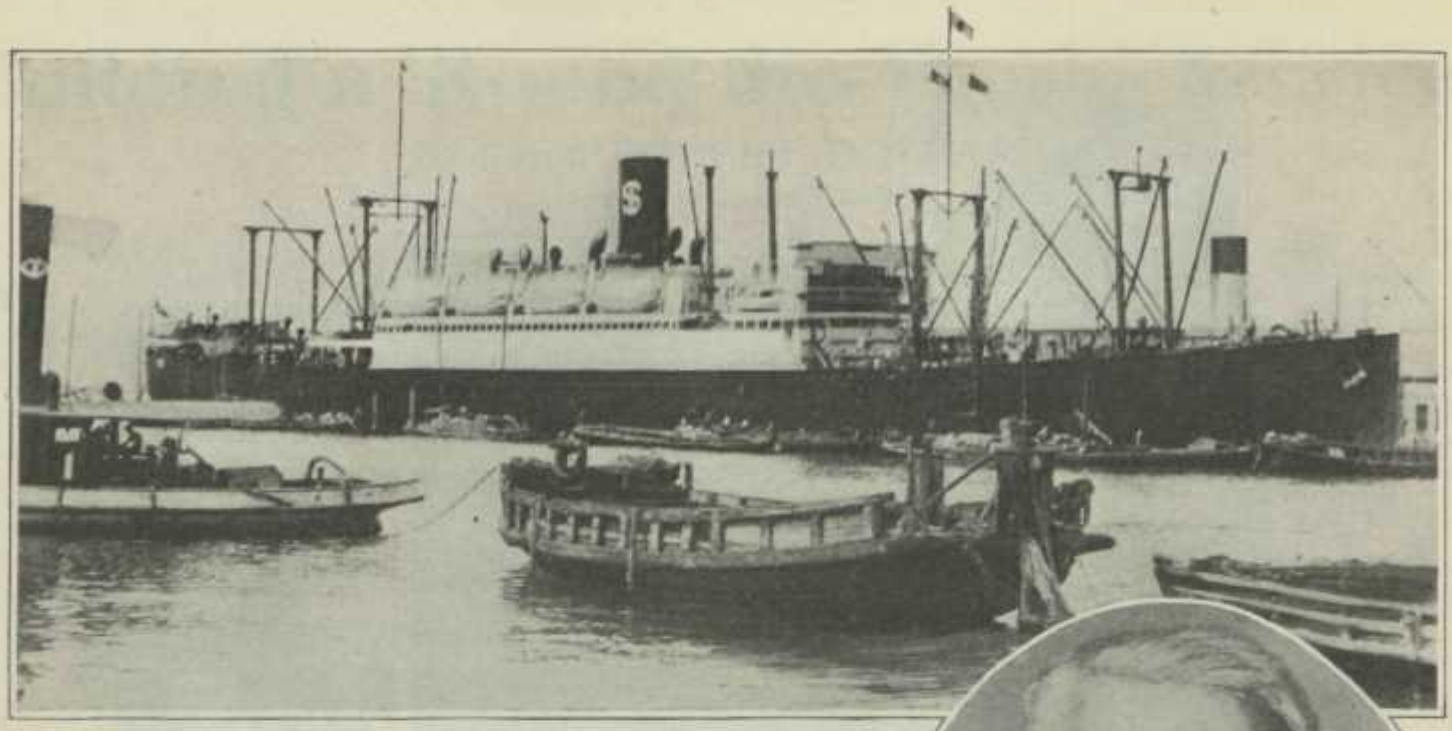
Western Electric is an industrial institution whose growth is no miracle, but the result of greater service. Nearly half a century ago it started on a simple idea—to make the best telephones and telephone equipment that human skill could build.

In our work for the Bell Telephone System, our ideals today are the same as those that have guided us for nearly fifty years—to grow greater by serving more.

Western Electric

SINCE 1882 MANUFACTURERS FOR THE BELL SYSTEM

When writing to Western Electric Company *please mention Nation's Business*



This picture, taken in the harbor of Kobe, Japan, shows the *S. S. President Lincoln*, one of the seven President-type vessels purchased from the Government in 1923 by the Dollar Lines for 'round-the-world service on a time-table basis. At the right is a recent photograph of Capt. Robert Dollar



© UNDERWOOD & UNDERWOOD, N. Y.

the-world tickets good for two years with stop-over privileges at any or all ports of call. This feature was unique and was bound to prove a great attraction for travelers. People in this age like to travel more or less independently, yet with the assurance of comfortable accommodation throughout their journey. Travelers using our line almost invariably stop over at one to ten ports—and sometimes more. When they resume their journey it is on a ship exactly like the last one they used.

Aroused Interest in Orient

WE HAVE found that this arrangement of stop-overs, coupled with the regular fortnightly sailings of our world ships, has induced thousands of people to visit the Orient, Egypt and Mediterranean countries who would otherwise have foregone such a journey on their way to Europe.

The arrangement of cargo on our 'round-the-world vessels at first was a very perplexing problem, taxing the ingenuity and experience of experts, but now stowage is effected with entire satisfaction. The length of the run from San Francisco 'round-the-world to San Francisco is close on to 27,000 miles. It is the longest route any ship can take proceeding in one direction and our vessels sail ever westward, calling at 21 ports. This means that during the cruise cargo is received and dispatched at each of these stopping places. For instance, merchandise placed on board at San Francisco and destined for Hong Kong must be stowed in such a manner as to make the unloading of cargo consigned to Honolulu, Kobe and Shanghai possible within the minimum length of time. Then cargo taken on at any port between San Francisco and Hong Kong must be placed in such a position as not to interfere with the delivery of cargo at Hong Kong and beyond.

We have worked out a chart system which obviates all guess work. It consists of four crayon-colored copies of sections of the various holds. The section of each port of call is done in a contrasting color. Space allotment varies according to the amount of cargo shipped making it impossible for fixed rules to be observed except in the matter of approximate locations for various consignments.

It was a big task for us to start this 'round-the-world service but all of us took off our coats and went right to it. And I mean that literally. In the spring of last year we bought five more President-type liners from the Government. These vessels are on the trans-Pacific run, plying between San Francisco and Manila with stops at Honolulu, Yokohama, Kobe, Shanghai and Hong Kong. The liners in our new fleet closely resemble our 'round-the-world vessels. They are 535 feet long, of 21,000 tons displacement and have a cruising speed of 20 knots. I consider boats of this type ideal for the Pacific crossing. We can book 175 first-class passengers on each liner. Our 'round-the-world steamers accommodate 150 persons.

For the present the size, passenger accommodations and speed of the vessels of our fleets are adequate due to the fact that we are able to maintain weekly sailings from San Francisco.

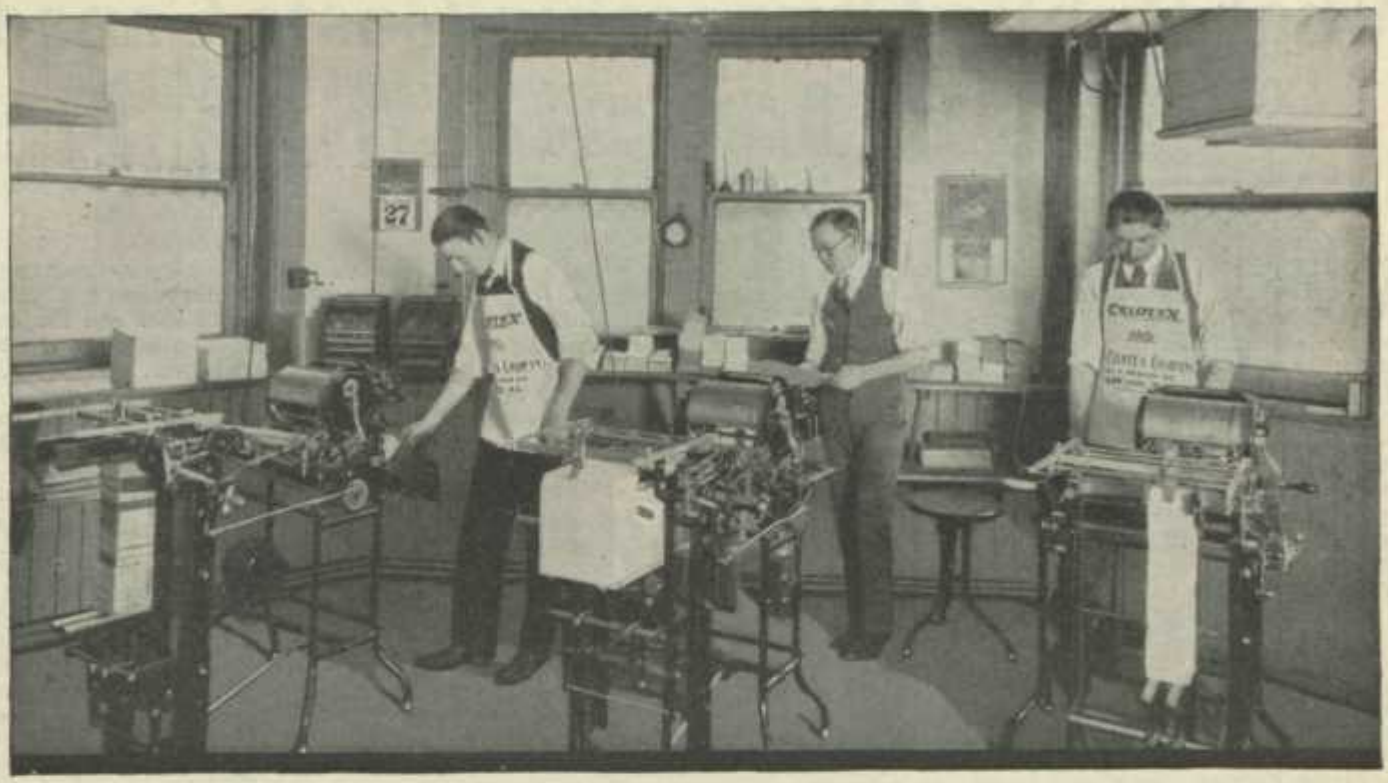
Trade on Pacific Increasing

TRANS-PACIFIC travel is constantly increasing and I do not think it will be many years before trade on the Pacific will be so large as to require much additional tonnage.

Though it is unquestionably a matter of time, say five years or so, before the Pacific Ocean lanes of commerce will be nearly as crowded as the Atlantic still I do not feel that vessels of gigantic proportions will be built to cope with the business. While there are many big boats of 30,000 or more tons racing across the Atlantic at regular intervals, I doubt if steamship owners contemplate building any more. Originally such boats were built competitively in an effort to divert passenger business to the line having the largest vessels.

Subsequent operation has shown that very large liners are so expensive to maintain that they are not a highly profitable investment. The luxurious accommodation provided on such ships is now duplicated on smaller vessels with most satisfying results. An ocean carrier displacing in the neighborhood of 20,000 tons is an ideal ship.

The matter of Diesel propulsion at the present time does not seem suitable for our needs. All of our vessels, with the exception of one or two of our smaller freight boats, are oil burning with either reciprocating or turbine type of engines. The scarcity of skilled Diesel mechanics makes the installation and operation of motor type propulsion a difficult task at the present time. I know that as gradual refinements in the construction of Diesel engines takes place more and more qualified Diesel engineers will be available. Until such a time it seems wiser for us to confine ourselves to the older types of marine engines.



Department Records Show a Saving of $6757.90 in 10 Months!

Summary of Expense and Saving on 10 months' operation	
Outside Cost	$10,855.75
Actual Expense	4,097.85
SAVING	$ 6,757.90
Cost Itemized—	
Depreciation	$ 295.02
Salaries	2,829.00
Interest	77.44
Rent	500.00
Power	50.00
Telephone	26.00
*Supplies	329.39
Total Expense	$ 4,097.85

*Paper stock is included in "Supplies" because most of the jobs involved imprinting only.

The Celotex Company, of Chicago—

like many other concerns, long used a multiple-typewriting Multigraph for letter work before discovering that there was a *printing* Multigraph application in their business. The result of that discovery is graphically set forth at the left.

There is no *guesswork* in these figures. They are taken from department reports which, as you see, cover both depreciation and overhead.

The Celotex Company uses two equipments for printing and one for form-letter work. Of the total given in the last column of the chart for "outside cost", $3241.28 represents multigraphing and $7614.47 printing. You will note that *printing alone* formerly cost them nearly twice as much as their present total cost ($4097.85) on operation of the whole department.

A great variety of printing and imprinting jobs are now handled by the printing Multigraph—stationery, envelopes, forms, two-color labels, cards, and dealers' imprints on advertising and other material are included.

To any of the thousands of business men who know the standing and reputation of Celotex building material and its makers, the facts demand serious consideration. For details and information about the printing Multigraph, tear off the coupon below and mail with your letterhead to

THE AMERICAN MULTIGRAPH SALES CO.
1806 East 40th Street Cleveland, Ohio

the printing MULTIGRAPH

The Printing Multigraph

A high-speed rotary printing-press, power-driven. Equipment complete with typesetter occupies only about 4 x 8 feet. Feeds automatically. Feeder holds 5,000 to 6,000 sheets ordinary stock, any size from 3 x 3 to 11 x 14. Will take folded stock, cards, envelopes, etc. Machine prints direct from type or electrotypes with printing ink—colors if you wish. Saves 25% to 75% on a great range of printed matter for business or advertising use. Can also be used for form-letter work.

Other Multigraph models to suit the needs of any business. Ask for demonstration. Meantime, mail the coupon and you will receive FREE a copy of the book, "Do Your Own Printing."



Mail With Your Letterhead to
THE AMERICAN MULTIGRAPH SALES COMPANY
1806 E. 40th St., Cleveland, O.
(Place check mark in square)

1. ☐ Send me the book, "Do Your Own Printing."
2. ☐ Notify your nearest office to arrange for demonstration of your Printing Multigraph on my work.

What Public Ownership Costs Canada

The Bill Mounts Yearly and Our Nine Million Neighbors on the North Are Disturbed

By J. L. PAYNE

WHILE the people of the United States have been watching with neighborly interest what they regarded as Canada's experiment in railway nationalization, the Canadian people themselves have been growing more and more discouraged by the results of that venture.

They feel themselves the victims of circumstances, rather than sufferers from a policy which they had deliberately adopted and which had subsequently gone wrong, for public ownership of 22,500 miles of railway was put into effect without their having had an opportunity to express a judgment one way or the other. That must be made clear to the onlooking Americans if they are to understand the present attitude of the people of Canada.

The Federal and Provincial Governments had heavily endorsed the securities of the Canadian Northern Railway and the Grand Trunk Pacific Railway. Both were transcontinental systems, and rivals of the strong and successful Canadian Pacific.

Two Systems Prove Failures

THE Canadian Northern was begun in 1897 and the Grand Trunk Pacific in 1903. Before either of them had got fairly in operation they broke down, the older one in 1914 and the younger in 1916. As happens in the case of insolvent individuals, they died on the doorstep of their trusting endorser. In this instance that meant the Dominion Government, for there was no use expiring on the threshold of the western guarantors. They had all they could do to carry on their own domestic affairs.

In this situation it was believed there was nothing to do but take over the roads and operate them; and this the Dominion Government proceeded to do without even consulting the people. The latter simply looked on, at first indifferently, with a sense of helplessness, but during the past three years with deepening concern. They are now throughly alarmed and articulate.

In the final reckoning, all railway operations come down to a matter of dollars and cents. The economic aspect is vital. If there is not enough traffic, or if administration is weak and wasteful, a railway, just like any other business, breaks down under its own weight of unsoundness. And that is precisely what has happened to the nationalized roads of Canada. For reasons which will be cited a little further along, the Canadian National Railway has cost the treasury of Canada an enormous sum of money—a much larger sum than the people feel they can afford to pay. It is this cost, ever mounting to new heights, which has brought about a most decided change in public judgment with respect to the railway situation in the Dominion.

Since the collapse of the Canadian Northern and the Grand Trunk Pacific, cash advances from the Dominion Treasury and liabilities assumed have been as follows:

Loans	$564,686,291
Guarantees	708,782,614
	$1,273,468,905

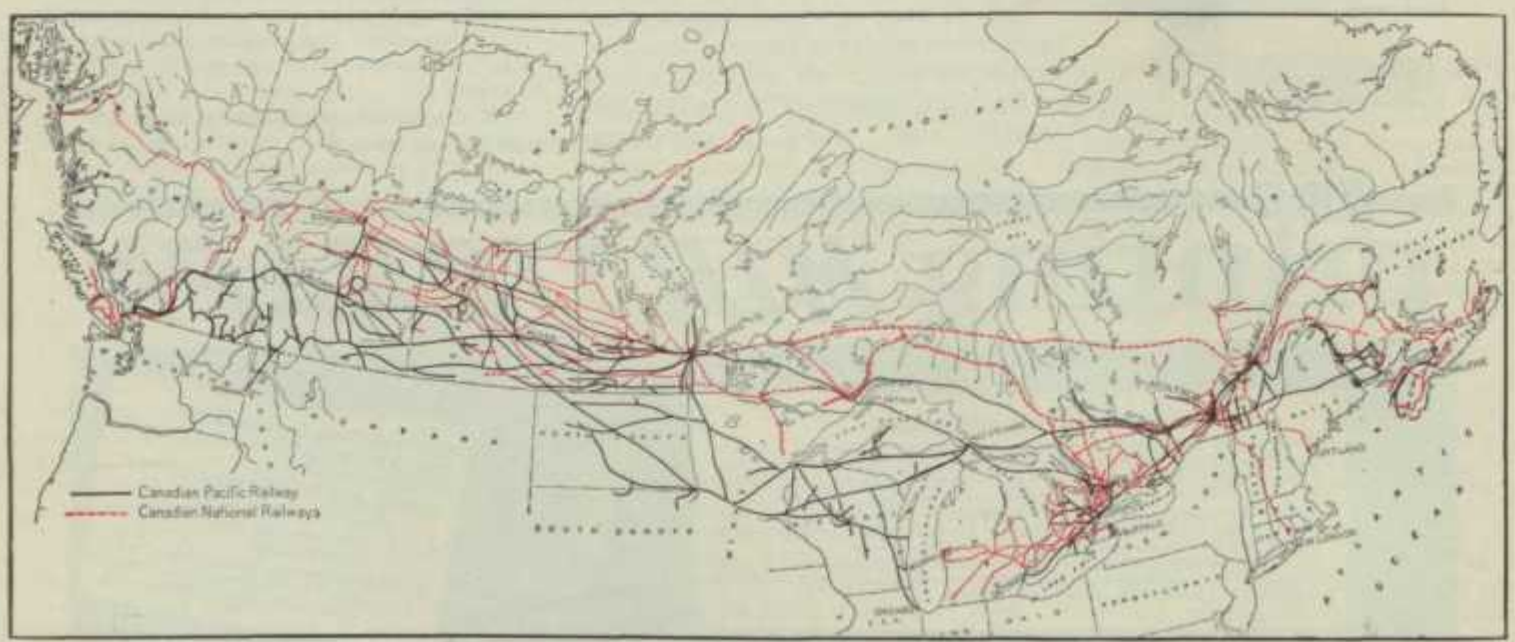
To precisely that extent has the indebtedness of the Dominion been increased by railway nationalization. It means an added obligation of $144 per capita for 9,000,000 people. The gross debt of the country was not equal to a third of that eleven years ago. At first this mounting bill of costs was not noticed. The war absorbed public attention. When, however, the people became cognizant of what was going on, and grew restless, they were assured that the worst was over. But worse was to come. Between the end of 1917 and the end of 1924, the growth amounted to $981,598,932, or at the rate of over $140,000,000 per annum.

That was not all. Down to the end of 1922, there was a heavy operating deficit each year. In 1920, the shortage was $37,000,000 over and above all fixed charges.

Red Ink From "Fixed Charges"

WHEN those pregnant words "fixed charges" have been mentioned, we have touched the pith of this whole matter. During the past two years, for example, there have been operating surpluses—$20,000,000 in 1923 and $17,000,000 in 1924. Between $25,000,000 and $30,000,000 is promised for 1925, and will probably be realized. But that did not help matters, for interest on increased capital liability has eaten up each year since 1914 this favorable operating balance and left a growing red ink charge in the ledger. As a further illustration, it might be pointed out that Sir Henry Thornton's report for last year showed an increase in fixed charges of $4,433,423; so that, with a reduction of $3,000,000 in the operating surplus, the situation was made worse, as against 1923, by fully $7,500,000.

The liabilities of the Canadian National Railway have taken on the accretive powers of a rolling snowball. Since the system falls short by at least $100,000,000 a year of paying all charges, plus its normal capital needs, and it has to borrow that much from the public treasury to carry on, the deadly compounding process has got fairly under way. As the principal thus turned over each year exceeds two billion dollars, it will be seen that the Canadian people have



Here is a bird's-eye view of the railway situation in Canada. The government-owned Canadian National (shown in red) is falling short by at least $100,000,000 a year of paying all charges plus normal capital needs. The Canadian Pacific, covering much the same territory, is prospering to a remarkable degree



Pierce-Arrows increased this bus line's business 50%

Over the 80-mile mountainous route between Spokane and Colville, Washington, six Pierce-Arrow busses owned by the Colville-Spokane Stage Line are operating every day in the week. Other makes of busses were formerly used, but when Mr. I. M. Hunley, owner of the line, tried out one Pierce-Arrow and noted its remarkable performance, he replaced his entire fleet with Pierce-Arrows. Not only has a considerable saving in gasoline resulted, but his Pierce-Arrows climb the steep grades so much more easily and maintain so much higher road speed that they have made it possible for the operators to make the trip in thirty minutes less than the three and one-half hours formerly required.

Some of the mountain grades are a mile long and 60 miles of the route are over dirt roads. Yet each bus makes one round trip daily, or 160 miles. The oldest bus has covered about 40,000 miles in eight months.

The better standard of service rendered has attracted so much additional patronage that the stage line's business has increased 50 per cent since the Pierce-Arrow busses were put into operation.

☆ ☆ ☆

Instances such as this, which is duplicated many times over throughout the country, explain why the demand for Pierce-Arrow busses has been multiplying steadily. Let us discuss with you the complete details of these modern, profitable motor busses with their six-cylinder, 100-horsepower engines.

THE PIERCE-ARROW MOTOR CAR COMPANY
Buffalo, N. Y.

Pierce Arrow
SIX-CYLINDER MOTOR BUSSES

Standard Chassis

offered in 196-inch and 220-inch wheelbase; completely equipped, including starter, battery, 12-volt generator, electric lights, 36x5 single front and dual rear pneumatic tires, and disc wheels. Prices upon application

Terms if desired

ample cause for the alarm which has seized them.

It should be explained, for the sake of clarity, that loans and guarantees in this matter are identical. At times the Federal Government has issued its own bonds and given the proceeds to the Canadian National. At other times it has permitted the railway to issue securities and has endorsed them.

With the taking over of the Canadian Northern and the Grand Trunk Pacific the Dominion was obliged to assume the guarantees given by the western provinces. They amounted to $124,788,758. When the pioneer Grand Trunk was expropriated four years ago, and added to the nationalized group, its securities to the extent of $216,207,142 were also guaranteed by Government. The point to grasp is that since the primary step in 1914, down to the end of the last fiscal year, nationalization has carried with it an increase of more than a billion and a quarter in Dominion liability.

Direct Liability Increase

THE terrifying fact is that this liability is directly increased each year by over $100,000,000; and each year the accretion through compounding grows larger. It is not only that fixed charges are thus rolling up year by year, but that all the capital liability which had been incurred prior to nationalization is also brought into the reckoning. The total now exceeds two billions. Last year the advance from the Dominion treasury was $118,000,000.

We may not quite clearly identify four stages in railway nationalization in Canada. They are: (1) The period covered by the collapse of systems which had been financed on the public credit; (2) the giving effect by Government of public ownership and the erection of the Canadian National Railway; (3) the seven years and more of experience under that policy; and (4) the sudden awakening of Parliament and people to the situation as it now exists.

It is not proposed to look backward so much as forward. What is likely to happen in Canada as the result of an aroused public judgment in relation to this vital matter? Enough has been said to account for the alarm which is now felt.

The alarm which is now felt is practically universal. It took possession of Parliament during the five-month session of 1925, and found expression in speeches by scores of members. Those speeches cover several hundred pages of the official debates. They were very positive in tone. The following extracts from one of the speeches of W. F. Maclean, the oldest member of the House, is fairly indicative of the attitude of a majority of the members as well as of many leading newspapers:

> There is one question, and one only, before the public: How can this awful carnival of extravagance be stopped—how can curtailment be effected which will not injure the transportation service, and so help us to retrieve something from the mistakes we have made in the past? The ex-Prime Minister said today that something must be done or wreck will come. . . . We must consolidate the railways or we will get deeper and deeper into debt. . . . This mad dance must stop.

Hundreds of similar quotations could be given. The chairman of the Railway Committee spoke as strongly about consolidation as did Mr. Maclean. He intimated that Canadian Pacific shareholders would be taken care of, possibly on a 7 per cent basis. Not a voice was raised in opposition. Amalgamation rose above all other questions brought before Parliament. It would seem to be pertinent, therefore, to summarize all that is involved in this great issue which now challenges the judgment of the Canadian people.

The Canadian National operates 22,500 miles of line, of which about 2,500 are in the United States. The anomaly of that large mileage, owned and administered by the Canadian Government in another country, has thus far caused no trouble. But it might at any time. The Canadian Pacific operates 14,000 miles in Canada, and also owns or controls several thousand miles of line in the United States. That leaves no room for indifference on the part of the American people as to what is now being discussed in Canada. To obviate international complications, the old corporate names of Canadian National Units are still used in the United States.

The Canadian National has made frightful losses. The Canadian Pacific is perhaps the strongest and most prosperous railway in the world. The Canadian people are determined that something shall be done to arrest the further accumulation of liability on account of the nationalized system. Quite naturally, they have reached the conclusion that the merging of these two systems would make the large profits of the Canadian Pacific available for the reduction of Canadian National deficits.

As a proposition in mathematics this is sound. But at once an exceedingly important and pivotal question arises: Would public ownership be applied to the amalgamated systems? In other words, would the Canadian National take over the Canadian Pacific, or vice versa? That is going to be the issue.

We shall perhaps get a clearer understanding of the situation in that regard if we take a comprehensive look at the railway situation in Canada, especially as it relates to the Canadian National.

Must Learn Economic Facts

THE American reader who is disposed to take an interest in this matter will not correctly visualize the Canadian railway situation unless he has before his mind certain physical and economic facts. He must realize that the Canadian Pacific was the pioneer transcontinental road, and, as was said a moment ago, that the Canadian Northern was built to compete with it. There was not enough traffic in the West to sustain two systems, but the prairie provinces were filling up, and it was believed there would be. In a state of rather delirious optimism a third road, the Grand Trunk Pacific, was begun in 1903. At that time the Canadian Northern was about half completed, and by 1914 had 10,000 miles in operation.

Those three systems occupied the same territory. They competed for the same business. In Ontario and the West they ran for thousands of miles practically side by side. Passengers riding on one line could often wave hands to passengers riding on either of the other two roads.

A more unsound and uneconomic situation could not be imagined; and, of course, the inevitable happened. The two newcomers broke down, utterly and hopelessly. Having been financed on public guarantees, they fell into the hands of their guarantors. Nationalization was asserted. And then the great blunder took place. Instead of recasting the layout, Government threw the two bankrupt units into one system, just as they were, tacked on the Grand Trunk and the old Intercolonial, and set up the Canadian National.

The test of traffic density will tell us at once how weak is the Canadian National. All roads in the United States, considered as a group, had 1,665,276 ton-miles per mile of line in 1923. The Canadian Pacific had 1,087,711, while the Canadian National had but 791,014 on its purely Canadian lines. To a railway economist that would account fully for the appalling losses which have occurred.

Traffic Density Still Vital

THIS fundamentally adverse condition as to traffic density was as true at the start as it is today. It grew out of excessive mileage, and was aggravated by the fact that for thousands of miles one division of the system was competing with another, while both were in rivalry with the Canadian Pacific.

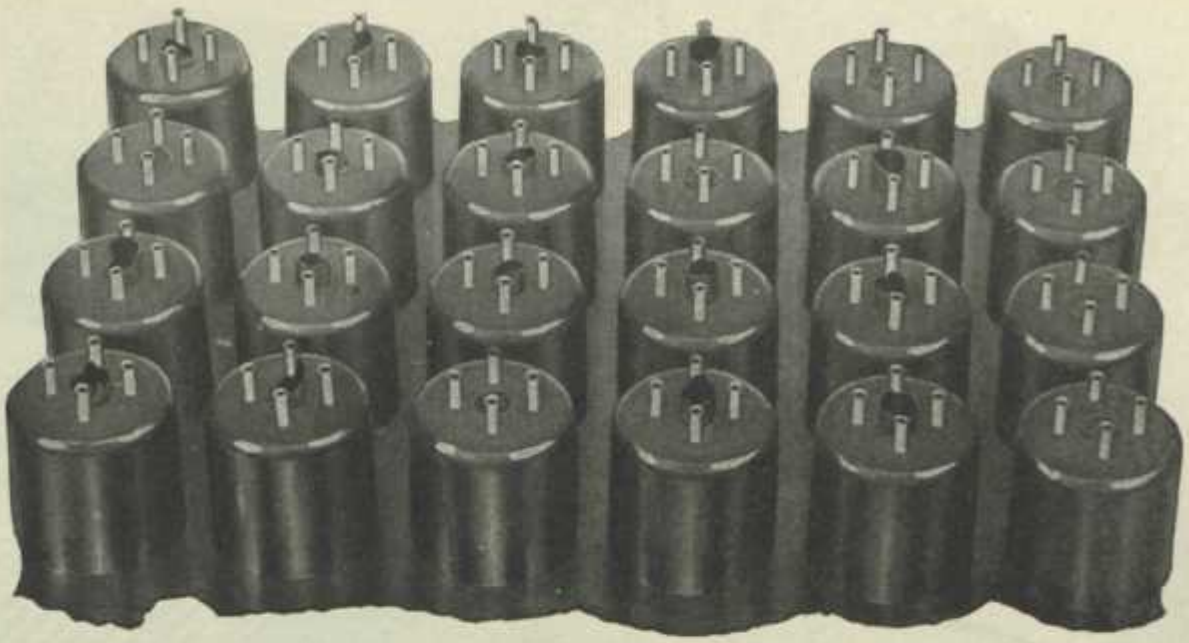
The foregoing statements will be so amazing to an outsider that they suggest the question: Why did not the Canadian National management at the very outset adjust this obviously adverse situation? We all know what a corporation, dependent for its survival on soundness, would have done. It would have cut out all wasteful parallels and services, and have built up as strong and promising a structure as conditions would permit. But the Canadian National did not make a move in that direction. Instead, it spent hundreds of millions in standardizing, further equipping and extending the feeble units. And that is why it has cost the public treasury $150,000,000 a year to hold up this unsound railway. No other result was possible when the operating ratio of all western mileage has never come below 120, and was 93 for the whole system last year.

What is the answer? It is that we see in this glaring exhibition of mismanagement and unbusinesslike procedure the background of politics. The western people did not want to see their railway mileage reduced. Even if they didn't contribute any worthwhile traffic, they liked to see the express trains go by—and nearly empty trains at that. It relieved the monotony of life on the prairies. And they had votes.

Every phase of policy was dictated by political expediency. The agrarian Progressives controlled the western provinces, and during the past four years they have held the balance of power in the Dominion Parliament. That is still true since the election of October last. This has been hard on the central and eastern provinces, which pay the heavy end of the tax bill; but they are now articulately active on the side of the proposed merger.

The Senate of Canada has for years been reproached with leading a lethargic life; but toward the end of the last session it became wideawake on this burning railway issue. It appointed a special committee to deal with it, and, in order to get freely given testimony, that committee sat in camera. The outcome was a report, which set forth the following findings:

> That the increasing of the obligations of the country on account of the government railways is a matter causing much national concern.
>
> That there is no assurance that under the present system this expenditure will materially decrease in the near future.
>
> That unless energetic means be adopted to reduce our national debt and the income tax, as is rapidly being done in the United States, we will be unable to command the foreign capital absolutely necessary for the development



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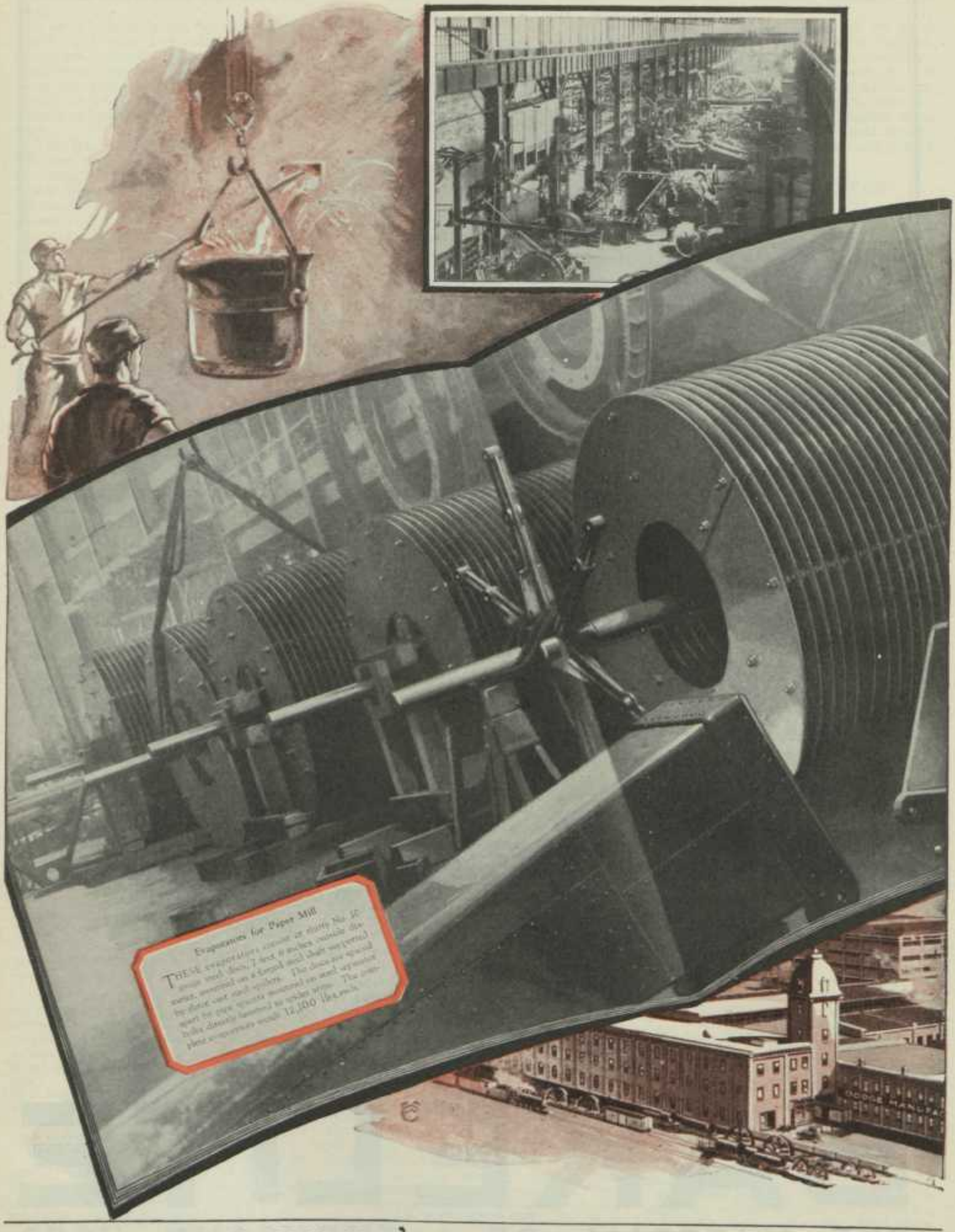
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of our natural resources. Therefore it is recommended:

That both the Canadian Pacific Railway and the Canadian National Railway should be placed under the management of a board of fifteen directors, five to be named by the Canadian Pacific Railway, five to be named by the Government, and these ten to choose five proven, capable business men to complete the board; these last five directors to hold office for ten years and to be removed only for cause. That a recapitalization be made of the Canadian National Railways from the point of view of earning capacity.

That the Canadian Pacific Railway be guaranteed an agreed dividend on its stock.

In the event of the joint management producing a surplus, a dividend at the same rate as is paid to the Canadian Pacific Railway be paid to the Government on the capitalization placed on the government railways. After the payment of these dividends any surplus earnings available for distribution be divided between the Canadian Pacific Railway and the Canadian National Railways, in proportion to the valuation of the two systems.

Thus the matter has been put up squarely to the Canadian people. What they will do remains to be seen. At this stage they appear to be dazed. To many of them the huge figures involved in the railway accounts have little meaning; but the alert business men of the country are thoroughly aroused. In my judgment, amalgamation cannot be delayed or pushed aside. It has got to come, and quickly—or a complete reorganization of some sort.

The approaching struggle before the people, as well as in Parliament, will find its focus in the question of control. Public ownership has many advocates throughout the Dominion; but they find themselves compelled to pause and reconsider in the face of the terrible results which have followed the Canadian National venture. They still believe in the principle as demonstrated in community ownership, but are disposed in swelling numbers to admit that the same principle breaks down when applied to a national utility. In a municipality, where the thing operated is directly under everybody's eye, and where annual elections enable the taxpayers to be heard, public ownership may work satisfactorily. Conditions are vitally changed in the national situation.

To Recast Entire Structure

THE logic of events is on the side of giving the Canadian Pacific command of the merger. It has the organization and the genius to recast the entire railway structure. It has been exceedingly successful in all that it has hitherto undertaken. Its skill and judgment cannot be challenged. And the chief reason why I believe the strong and efficient Canadian Pacific will be placed in control is, that everybody knows it would carry out the great undertaking in a fearless way, utterly uninfluenced by political considerations of any kind whatever. Anything short of that will not give the Canadian people relief from the burdens which have become intolerable. An economic disease can only be cured by an economic remedy.

Since the foregoing was written the annual meetings of leading chartered banks have taken place. As an example, Mr. Peleg Howland, president of the Imperial Bank, referred to the railway situation in strong terms. He asked: "What defense is there for public ownership if it does not pay? There is no magic about it. There is no inherent benefit irrespective of results." And he concluded as follows:

"I do not think I am astray in saying that the expenditure on the Government road since ownership was assured, added to the fixed charges not earned, for all of which the country is either directly or indirectly in debt, will reach a sum equal to one-third the published net debt in which it is not included—and this debt is constantly growing." Other bank presidents made similar observations.

The Santa Fe's 80,000 Salesmen

By JOHN C. EMERY

THE Atchison, Topeka & Santa Fe Railway System has 12,000 miles of line, 2,000 locomotives and 90,000 freight and passenger cars. And it has 80,000 salesmen.

Those salesmen are the 80,000 employes of the Santa Fe, from section hands, machinist helpers, clerks and trainmen on up to the department heads and executives. It is estimated that in nine months these voluntary traffic representatives have secured for the Santa Fe passenger and freight business the revenue from which was over $3,000,000.

This traffic solicitation campaign on the Santa Fe is probably one of the simplest and most noiseless that has ever been launched. It is the second of the sort, organized and sponsored by the *Santa Fe Magazine*. It started in this way:

Back in November of the year 1924 a not particularly conspicuous article in the magazine, which all employes receive, announced that "due to suggestions and inquiries made by a number of employes who were active in our previous campaign for the solicitation of freight, it has been decided to inaugurate at once a second campaign."

The article went on to call attention to a sort of postcard which was inserted in the pages of the magazine which might be used to facilitate transmission of "traffic tips." That was about all. The article did go on to point out the things which the Santa Fe had done to provide better service for its patrons and to remind the employes of their strategic positions in securing business from their friends and acquaintances. It also urged them to boost Santa Fe service whenever opportunity offered. There were no ballyhooings, no exhortations, no rallies. Only simple statements and a postcard.

Yet in the first 15 days of the campaign nearly 300 cars of freight and a score of passengers were secured for the Santa Fe by the solicitation of its employes. The amount of business secured has increased steadily each month since that time. From May 15 to June 14, for example, 678 passengers were secured for transportation over various distances. The majority of them were transcontinental hauls. The freight secured amounted to 1,170 carloads to which were added 230 less-than-carload shipments. Also there was a considerable traffic in coal which was routed over the Santa Fe through its employes' efforts. Besides the individual passengers the employes won the patronage of a number of organized parties. All in all, a good month's business.

Cooks, Janitors and Porters

IT IS impossible to determine the exact amount of freight and passenger business which the Santa Fe has secured as the result of the voluntary efforts of its employes. Probably not more than half of the business actually secured through such efforts is credited to the employes who secured it. Yet each month the magazine contains page after page, printed in small type, of paragraphs like the following:

Theodore Francis, car repairer, Kansas City, Mo., two passengers from Kansas City to Los Angeles and return.

W. Z. Finkey, laborer, metal yard, Arkansas City, two passengers from Arkansas City to California.

E. L. Hubbard, switchman, Slaton, Tex., three passengers from Slaton, Tex., to New York City.

R. Lowther, clerk, Waynoke, two cars of cattle from Waynoke to Kansas City.

John Hoben, clerk, Wichita, one car of pumps from Wichita to St. Louis.

W. A. Ramsey, operator, Silver City, N. M., one car oil from Drumright, Okla., to Silver City, N. M.; three cars oil from Tulsa, Okla., to Silver City, N. M.; one car salt from New Orleans to Silver City, N. M.

It is estimated that out of the thousands who have tried to secure business for the Santa Fe, more than 10,000 have actually succeeded in winning such business. It is estimated that more than 10,000 passengers and 20,000 carloads of freight, not to mention 5,000 less-than-carload shipments, have been so obtained. Considerably more than half of this business is for extremely long hauls. It is most significant, also, that the voluntary solicitors of freight for the Santa Fe include cooks, truck drivers, pensioners, messengers, janitors, and even Pullman car porters. Not only the employes themselves but their families, are active Santa Fe traffic solicitors.

The mechanics of the Santa Fe plan are very simple. Each month the magazine contains a postcard perforated through the middle, one part addressed to the division passenger agent or the superintendent, and the other part addressed to the division freight agent or the superintendent. This card contains a space for the name and address of a person contemplating a trip or a firm planning for shipment of a quantity of freight. These cards are filled out by the employes and mailed to the traffic officers interested. From these tips the Traffic Department works.

When a tip results in the actual securing of business, the magazine is advised of the fact and the employe's name and address, with the nature of the business he secured is published. He is provided with a "service button" to show that he has entered the ranks of employes whose loyalty to their company has taken tangible form. And that is all that the employe receives for his time and efforts.

In many instances the work of the employes for traffic does not end with the mailing of a tip card. Many interesting stories

are told of the ways in which the employes bring pressure to bear or exert influence upon prospective passengers or shippers of freight in order to secure their movement for the Santa Fe. In Dodge City, Kans., the city officials awarded a contract for eight blocks of paving. Through the action of several Santa Fe employes who lived on the street which was to be paved, a clause was written into the contract specifying that all material for the work was to move via the Santa Fe. This comprised about 50 cars of brick, 15 cars of asphalt, and 25 cars of cement.

Employe Suggests Routing

IN THE same city an employe, who happened to be also a member of the School Board of the city, suggested that Santa Fe routing be specified on some material to be used in the construction of a new high school building.

The suggestion was adopted by the School Board with the result that approximately 150 carloads of building material were routed over the Santa Fe lines.

In another instance, the yardmen at the Los Angeles terminal learned that a petroleum company in southern California contemplated opening a new field of distribution for their gasoline and lubricating oils in northern California, with Oakland as the distributing center. The yardmen went after the business, with the result that a train load of 14 cars of gasoline and lubricating oils was secured for the Santa Fe.

A brakeman on the California Limited boosted his company so strongly to a passenger who happened to be president of a bedding company that the passenger, upon his return to Chicago, routed eight cars of cotton linters from a point in Texas to Chicago over the Santa Fe.

A very substantial bit of passenger business was secured as the result of an employe turning in a tip card stating that a young woman living in Kansas City, Mo., contemplated a journey. A passenger agent learned that the girl in question was national treasurer of a college women's sorority and had been planning the national convention of the organization. The ultimate harvest from that one tip card was 92 round-trip tickets from Kansas City and points east to Los Angeles.

Money Return Easily Seen

THE result of such employe solicitation traffic in dollars and cents is readily apparent. The result in bettered morale and in improving the manner in which the employes carry on their regular work, while less obvious, is even more important. Comments of passengers on the efficient service to be found on the system prove beyond doubt that this is true. Discussing the campaign, an officer of the Santa Fe said:

"We do not minimize the value to us in dollars and cents of the business which our people are helping us to secure. We do feel, however, that this is less important than the effect of the campaign upon the employes themselves.

"Our employes have responded to the spirit of this campaign. They are sold on the Santa Fe and they are sold on the idea of working for more business. They are proud of the Santa Fe and they want their friends and acquaintances to know the superiority of the service which it offers.

"It follows naturally that after they have boosted the Santa Fe to their friends, they are going to do all in their power to make the Santa Fe service superior in every respect."



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TOUGH, flawless steel that safeguards the lives of thousands—who would think that it needs protection itself? But it does. Engineers, railroad men, ship-owners, never build with steel alone, strong as it is. They know they must provide steel with the one quality it lacks—the ability to ward off rust.

So it is common practice today to protect steel with a covering of paint. The paint that has been standard for years for this purpose is a chemical derivative of another metal—lead. Every day you see lead paint protecting steel. That flaming orange-red paint on bridges, on the steel framework of buildings, on vessels, and on metal surfaces everywhere, is a durable, protective covering applied to steel in the form of red-lead paint.

So long as this covering of lead paint remains unbroken, the steel is safe. For sun, rain, oxygen—the causes of corrosion—cannot get through the red-lead to attack the steel.

For years pure red-lead has been used by ship-owners, railroad men, engineers and others interested in the protection of iron and steel. Dutch Boy red-lead is the paint that protects the Delaware River Bridge, shown here—the longest suspension bridge in the world, connecting Philadelphia and Camden. It was also chosen to safeguard the steel skeleton of the New Palmer House in Chicago, which will be the largest hotel in the world.

Dutch Boy red-lead comes in paste form for mixing with linseed oil. Its natural color is the brilliant orange-red, which can be tinted to any desired dark color for finishing coats. It is pure, long-wearing, economical to use. By writing our nearest branch you can get a free copy of the "Handy Book on Painting." This interesting, instructive booklet tells you how to protect both metal and wood surfaces against deterioration.



Under the Dutch Boy trade-mark, National Lead Company also makes white-lead for paint, linseed oil, solder, babbitt metals, and flatting oil for use with white-lead in decorating interiors.



NATIONAL LEAD COMPANY

New York, 111 Broadway; Boston, 131 State Street; Buffalo, 116 Oak Street; Chicago, 900 West 18th Street; Cincinnati, 659 Freeman Avenue; Cleveland, 820 West Superior Avenue; St. Louis, 722 Chestnut Street; San Francisco, 485 California Street; Pittsburgh, National Lead & Oil Co., of Penna., 316 Fourth Avenue; Philadelphia, John T. Lewis & Bros. Co., 437 Chestnut Street.

An Open Letter to Senator Smoot

January 2, 1926.

The Hon. Reed Smoot,
Chairman, Senate Finance Committee,
Washington, D. C.

DEAR SENATOR SMOOT:

The American Debt Commission, which was created by an Act of Congress, consists of the Secretary of the Treasury, as chairman, and seven members appointed by the President and ratified by the Senate. Not more than four of these members may belong to any one political party. The Commission is composed of Secretary of the Treasury Mellon, Secretary of State Kellogg, Secretary of Commerce Hoover, Senator Reed Smoot, from Utah, Congressman Theodore E. Burton, of Ohio, Congressman Charles R. Crisp, of Georgia, ex-Congressman Richard Olney, of Boston, and ex-Chairman of the United States Shipping Board Richard N. Hurley. Four of these men are Republicans and three are Democrats.

This Debt Commission has already negotiated agreements for the funding of the debts of six countries, including Great Britain, which have been ratified by Congress. During the last six months, it has negotiated agreements with six more countries, of which the most important are Belgium and Italy. These six agreements are before the present Congress for approval. President Coolidge has recommended to Congress that they approve all six of the pending settlements.

Immediately after the signing of the armistice the Chamber of Commerce of the United States devoted itself to questions of economic reconstruction. It early recognized that the problems arising because of the indebtedness of allied countries to the United States had most important bearing upon exchanges and the trade of this country. It urged that the amount of principal and interest in each case should be ascertained with the least possible delay and that in fixing these amounts there should be every effort to be just to our allies and to ourselves alike.

The timely action of Congress in providing for a very able and non-partisan commission to arrive at agreements for the consideration of Congress was gratifying to the Chamber of Commerce of the United States and we believe that substantial advantages have already accrued from the agreements which Congress has earlier ratified.

The National Chamber has carefully studied the proposed settlements, especially those of Belgium and Italy, and it seems that the American Commission has recognized the vital concern of debtor countries in the protection and improvement of their economic, budgetary and currency position. The Commission has obviously given full consideration to the necessity not only of preventing the lowering but of permitting the much needed improvement in living standards and of avoiding danger to their financial and economic stability which a too onerous settlement would entail.

The principle of the integrity of international obligations has been maintained. Concessions are confined to the rate of interest on sums due, the repayment of the principal amount and accrued interest to date being secured in each instance.

The ratification of debt agreements by Congress will do much to restore international financial stability in which the United

States has a great, if not greater, stake than the debtor countries. The removal of the debt problem from the field of debate and uncertainty will do much to restore that confidence on which international credit and world commerce are based. I believe that the continuance of the present era of prosperity will be better assured by the final settlement of these debts. This will be a distinct step toward restoring us to that stability of a peace-time program on which all phases of American life can build with assurance for the future.

If such an able non-partisan body as the Debt Commission, duly appointed by the President and confirmed by the Senate, with all of the facts before it cannot arrive at settlements which amply protect the interests of the United States there does not seem to be any way by which just settlements can be secured.

I recognize that Congress should most carefully scrutinize the debt settlements before it. However, I respectfully suggest to you that these settlements are just to the United States and to the debtor countries as well, and urge your support of them when they come before Congress.

JOHN W. O'LEARY,
President, Chamber of Commerce of the United States.

"Ad" Space in Benefit Programs Total Loss, Chicago Body Finds

CHICAGO business men decided that it was high time to put a stop to the ever-growing practice of soliciting advertising to defray expenses for printing of programs for benefits, "causes," amateur theatrical and other enterprises which, by no interpretation, come under a strict business heading.

Experience had proved to these business men that the only solution to the problem lay in unified action. As long as a few persisted in weakening to the extent of accepting space in such worthless mediums, the rest were left open to solicitation.

Many of the solicitors, being unacquainted with business methods, were often unable to understand the attitude of business men against mixing charitable intentions in business procedure.

It was decided that some method of dealing with the subject must be worked out that would insure against possible loss of goodwill on the part of the solicitors for this type of subscription.

It was very clearly brought out that, far from wishing to discourage business men from charitable actions, the only object sought was to separate it from an entangling alliance with business procedure.

A committee on miscellaneous solicitations was organized by the Chicago Association of Commerce to provide a service not included in the work of the committee investigating subscriptions, which issued a handbook on local endorsed charitable and philanthropic organizations.

"These miscellaneous solicitations," according to the committee's chairman, "comprise souvenir programs, benefits of various kinds, fraternal organizations' projects, and so forth. It is generally agreed that the advertising value of souvenir programs and the like is negligible from the point of view of the amount of business derived."

From a consideration of this phase of advertising, the committee has recommended three slogans for the attention of Chicago business men—"Do not advertise to help a 'cause,'" "Donate to help a worthy 'cause,'" and "Advertise to help your business."

Guaranty Trust Company of New York

140 Broadway

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Condensed Statement, December 31, 1925

RESOURCES

Cash on Hand, in Federal Reserve Bank and Due from Banks and Bankers	$162,995,748.94
U. S. Government Bonds and Certificates	34,980,695.39
Public Securities	15,762,171.73
Other Securities	21,593,855.71
Loans and Bills Purchased	382,279,794.05
Real Estate Bonds and Mortgages	1,565,650.00
Items in Transit with Foreign Branches	5,548,257.48
Credits Granted on Acceptances	40,263,426.45
Real Estate	7,980,926.04
Accrued Interest and Accounts Receivable	6,637,400.72
	$679,607,926.51

LIABILITIES

Capital	$25,000,000.00
Surplus Fund	15,000,000.00
Undivided Profits	6,884,933.80
	$46,884,933.80
Bills Payable	5,000,000.00
Accrued Interest, Reserve for Taxes, etc	6,046,070.19
Acceptances	40,263,426.45
Outstanding Treasurer's Checks	34,055,743.55
Deposits	547,357,752.52
	$679,607,926.51

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Beaver Falls, Pennsylvania

On the Importance of City Planning

THE CITY planners who once picked New York as the scene of an international conference did well, for there now stands the world's most striking object lesson in what a city should not be.

Among the exhibits at the conference was the huge Regional Plan made by the Russell Sage Foundation. This calls for sweeping changes in order to make New York City tolerable for a population which is expected to reach sixteen million by 1950, with 1,800,000 additional dwellings crowded in within fifty miles of City Hall.

When the first New York plan was made, in 1811, the commissioners apologized for looking ahead to a city of 400,000. They said "it may be a subject of merriment that the commissioners have provided space for a greater number of population than is collected at any spot this side of China."

Joseph P. Day predicts a metropolitan area with 50,000,000 people, buildings of one hundred stories, double decked streets and tunnels galore. At the same time an eminent engineer is declaring that the city of the future must be such that everyone can walk to work and go home to lunch, that every building must cover a whole block, with garden, swimming pool and airplane landing on its roof, and that no coal, gas or oil should be burned within the city limits.

Others give warning not to handicap immediate improvements by planning too grandly. Thomas Hastings says "It is hard to tell what will happen in fifty years, and I think the situation will not be improved by making impracticable suggestions." There may even be a shrinkage in the size of cities. The magnetic attraction of superpower may draw millions out into the country. The rise of cities was due largely to coal, to the machine and to the factory. Their decline may result from the perfection of power and transportation.

At present the most general progress is in zoning. Twenty years ago Boston began to regulate the height of buildings, and sixteen years ago Los Angeles first regulated their use. In 1916 New York passed the first comprehensive zoning ordinance. Today more than 350 cities are zoned, and of these most regulate height and area as well as use.

Formal city plans, more or less complete, have been laid out in more than 400 municipalities. Detroit is planning a super-highway 300 feet wide. Chicago is moving its fruit and vegetable vendors from South Water Street to a $50,000,000 market in the outskirts, which will rival the stockyards as an example of modern organization. Boston wants to cut a $25,000,000 street through the heart of the city. Mariemonke, Ohio, is a 500-acre town built wholly from the plans of one man, John Nolan. In England a law now requires every city to plan for its growth.

For all who would make old cities new, or make new cities which can grow old gracefully, Daniel Burnham wrote a text: "Make no little plans; they have no magic to stir men's blood, and probably themselves will not be realized. Make big plans; aim high and hope and work, remembering that a noble, logical diagram once recorded will never die, but long after we are gone will be a living thing, asserting itself with growing intensity." —R. J. W.

When writing to Union Drawn Steel Co. *please mention Nation's Business*

You Cannot Fight Them with Laws

By EDWIN J. NILES

Manager, Retail Merchants' Association, Springfield, Mass.

IT HAS become a habit with me to skim through the different trade papers as soon as they are placed on my desk, to see how many ordinances have been passed since the last issue, dealing with the house-to-house canvasser, the itinerant vendor, and the new endless-chain method of selling.

It is admitted that all the ordinances, county or state laws, dealing with the canvasser, have been sponsored by retail merchants for protection, as they claim, of the citizens of their fair city.

Some few months back, I attended a meeting of retail interests, held in one of our fast-growing cities. Just across the river is another city. Competition is very keen between the two. The principal speaker was a local merchant in the city in which the convention was held.

The speaker's remarks can be summed up in two claims. First, legislation was necessary to protect the thousands who might be defrauded by canvassers. Second, legislation was necessary to protect the local merchant from unfair competition due to the fact that firms using the so-called "direct method of distribution" pay no local taxes.

The first claim can be quickly dismissed. There are well-defined laws on fraud and misrepresentation. They can be enforced.

The second claim is a debatable one. No merchant has a claim on local business simply because he pays taxes, contributes to the welfare and social organizations. The many ordinances framed dealing with house-to-house canvassers were not drawn up with any idea of justice in the matter of taxation. They were aimed to place such a hardship on the firms selling through canvassers that they would be obliged to take their salespeople out of the territory.

Tax Arguments the "Bunk"

THE speaker had so stressed loyalty to local merchants that I expected to find on entering his store a beautifully worded motto on the subject. However, I found he was like other merchants. His conscience did not trouble him in selling to customers from the sister city across the river. This claim of paying taxes and supporting all civic undertakings is all bunk as a claim to hold, or to get, business.

A few months ago, in the heart of our retail district, there was opened a store whose merchandise could be questioned. For several days, this store had a window display of "pure silk hosiery, three pairs for $1.00." Of course, the hosiery was not silk. The store only lasted a few weeks. If the Retail Merchants' Association had made an issue of this display, the store would have been there today and doing a nice business.

Springfield, Mass., has its share of house-to-house canvassers. Our merchants consider them competitors and instead of staying up nights framing some ordinance to put them out of business, they spend their time putting their own merchandise over.

If the many different forms of distribution which have developed during the past few years—the chain store, the house-to-house canvasser, the endless-chain methods, and others—have no place in our economic life, they will die a natural death.



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Palmolive Shaving Cream embodies the four great essentials 1000 men told us they wanted in a shaving cream, plus a fifth which we added.

Its success is a sensation. Men are flocking to it by the thousands.

We believe it will give you shaving comforts unknown to you before. That it will surpass your present method of shaving in five important ways.

In your interest and in ours, let us send you a 10-day tube to try. We know we can win you in this way. 80% of its present users thus were won from other preparations.

Five Advantages

1. Multiplies itself in lather 250 times.
2. Softens the beard in one minute.
3. Maintains its creamy fullness for 10 minutes on the face.
4. Strong bubbles hold the hairs erect for cutting.
5. Fine after effects due to palm and olive oil content.

We're the makers of Palmolive Soap, as you know. Thus 60 years of soap study stands back of this creation. We made up and discarded 130 formulas before venturing it on the market.

Just Send Coupon

Your present method may suit you well. But still there may be a better one. This test may mean much to you in comfort. Send the coupon before you forget.

THE PALMOLIVE COMPANY (Del. Corp.), Chicago, Ill.



To add the final touch to shaving luxury, we have created Palmolive After Shaving Talc—especially for men. Doesn't show. Leaves the skin smooth and fresh, and gives that well-groomed look. Try the sample we are sending free with the tube of shaving cream. There are new delights here for every man who shaves. Please let us prove them to you. Clip coupon now.

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Simply insert your name and address and mail to Dept. B-1122, The Palmolive Company (Del. Corp.), 8703 Iron Street, Chicago, Ill.

Residents of Wisconsin should address The Palmolive Company (Wis. Corp.), Milwaukee, Wis.



Oysters Are Nature's Health Food

Your Government, in an official Bulletin (Economic Circular 58 of the Department of Commerce), issued on July 24, 1925, said:

The United States and many State and municipal governments have awakened to the advisability of supervision and inspection, and there is now exercised a close scrutiny of the sources of oysters that are brought to market or shipped from State to State and of the methods of handling and transporting them. IT CAN BE SAID THAT OYSTERS TODAY ARE MORE SANITARY AND BETTER THAN EVER, and that there is at least as sufficient a guarantee of their wholesomeness as there is of milk, strawberries, lettuce, celery and other foods not usually cooked for consumption. If the oyster be cooked, there is a double guaranty.

Oysters are
1—Easily digested.
2—Self-sufficient as a diet.
3—Rich in Vitamin C, an essential food element.
4—200 times stronger in Iodine content than Milk.
5—Nourishing but non-fattening.

The Free Government Recipe Book "Oysters: An Important Health Food" gives 98 ways of preparing the most irresistible dishes for all occasions.

Oyster Growers & Dealers Association of North America
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Taking the Census of Industry

THE CANVASS for the third biennial Census of Manufactures is now beginning. This canvass, which will be conducted by mail so far as possible, will cover the manufacturing operations of the United States during the year 1925. Each manufacturing establishment has received, or soon will receive, a schedule or questionnaire to be filled out and mailed to the Bureau of the Census at Washington.

The census of manufactures was taken at ten-year intervals prior to 1899 and at five-year intervals during the first two decades of the present century. Then, as a result of the general realization of the importance and value of the census as a survey of industrial conditions and a measure of industrial change and progress, legislation was enacted providing for a biennial census, somewhat restricted in the matter of detail but covering essentially the same field as the preceding quinquennial inquiries.

Manufacturing plays an increasingly important part in the affairs of mankind. During the first quarter of the present century—or, to be more precise, during the 24 years from 1899 to 1923—the number of wage earners employed in American factories increased from 4,712,763 to 8,778,950. The rate of increase for this period, 86 per cent, was nearly double the rate of increase in population, approximately 48 per cent.

Tremendous Rise in Value

WHEN manufacturing activity is measured on the basis of output instead of employment, however, a still more striking presentation is made. The gross value of manufactured products rose from less than eleven and one-half billions of dollars in 1899 to more than 60 billions in 1923. A part of this increase is, of course, apparent rather than real, being due to the general advance in prices.

It has been estimated by Dr. Edmund E. Day, dean of the University of Michigan, after a careful and intensive study of all available data, that the actual quantitative increase in the production of manufactured commodities between 1899 and 1923 was at the rate of 183 per cent. The great difference between this rate and the rate of increase in number of wage earners (86 per cent) was due to the displacement of hand labor by machinery, to the increase in the efficiency of factory machinery, and to improvements in methods and processes.

The motor-vehicle industry affords a striking example of the increase in productivity per wage earner. This industry, which now leads all others in value of products, was in its infancy in 1899, so that no fair comparison can be made between that year and 1923; but if we take 1909 as the starting point for the purpose of this comparison we find that the industry reported for that year an output valued at $193,823,000, produced by 51,294 wage earners, the average value of output per wage earner being $3,779.

Motor Vehicles Show Gain

IN 1923, only 14 years later, 241,356 wage earners in the motor-vehicle industry produced an output valued at $3,163,328,000, and the output per wage earner had risen to $13,106, or about three and one-half times the corresponding figure for 1909. Moreover, the motor-vehicle industry differs from nearly all others in that the prices of its products have not increased with the decrease in the value of the dollar. In fact, the purchaser of a motor vehicle received a greater amount of actual value for his dollar in 1923 than in 1909.

The biennial census of manufactures has become a necessity to the proper and efficient operation of our complex modern industrial system. The census statistics are compiled primarily to show the absolute and relative importance, the growth or decline, and the geographic distribution of the various manufacturing industries, and the industrial importance of states and cities at different periods; but they are so presented as to throw light also on certain matters of general economic importance, such as size of factories (measured both by value of products and by number of wage earners), concentration of manufactures in certain localities, hours of labor, and amount and kind of mechanical power employed.

Many Items Included

THE PRINCIPAL items in regard to which data will be collected at the forthcoming census will be numbers of proprietors and firm members, salaried officers and employes, and wage earners; amounts paid in salaries and wages and for materials; primary horsepower; and quantities and values of products. For the more important industries detailed inquiries in regard to quantities and values of individual classes of products will be made, and in certain cases data will be collected relative to quantities of the chief materials consumed.

The reports of the census of manufactures constitute one of the chief sources from which the various trade publications derive their statistical information; for example, such use is made of census statistics by the Fertilizer Green Book, a standard reference book for the fertilizer industry, Brown's Directory of American Gas Companies, and the Chemical and Metallurgical Engineer.

In the effort to be of service in every practicable way to manufacturers and others, the Census Bureau frequently makes, upon request, special tabulations for the purpose of supplying whatever information is available from its records in regard to the production or consumption of certain commodities for which no separate figures are given in the published reports. A few examples of the products covered by these special tabulations, of which many are made in the course of a year, are rayon, toluol and solvent naphtha, gases used in cutting and welding metals, soda ash, sodium nitrate, satin white, and the iron oxides.

Finds Improving Cooperation

BECAUSE of the growing realization of the value of its work, the Bureau is receiving better cooperation than ever before from all interests concerned. As a result of this cooperation, it has been possible in most cases to formulate the Census schedules or questionnaires so as to call for exactly the information desired by the industries; or, if it is not practicable to obtain this information in all the desired detail, at least the inquiries are brought into line with the industries' major needs. The effects of the cooperation are also felt in the matter of inducing the manufacturers to fill out their schedules with care and to return them



BOXING *and* CRATING Economies Achieved

by the Automotive Industry

UNHAMPERED by precedent or habit, the automotive industry engineered its way to efficient methods. The result is beautiful cars and powerful trucks at prices low for such mechanisms.

In its constant search for improved and economical methods this industry early discovered that the Pioneer way of shipping is the most productive of profits in the form of savings. Pioneer Boxes and Crates are the lightest, strongest wood packages made today and can be designed to carry most products safely at lower cost.

Costs are cut for the manufacturer in assembling, in packing, in transportation charges, in reduced damages and in lower petty theft losses.

Receivers of goods find that Pioneers save freight, can be opened and unpacked quickly, deliver goods intact, and, of all shipping containers, can be most easily re-used. General Box Engineers, working with the automotive industry, have achieved these economies in boxing and crating. They have accomplished similar results for other industries. They may be able to save money for you. It costs nothing to get the help of these experienced men. At your request they will study your particular problem, and design a shipping container for your product. You try out this actual box or crate. If it stands the test, you will adopt it. Just write us that you would like General Box Engineers to check up on your present shipping methods.

Write for these Booklets

General Box Service is a bulletin, published regularly, that describes the experiences of manufacturers—some of whom no doubt are in your line—with General Box Engineering Service and with Pioneer Boxes and Crates.

Have you ever wondered what your customers think of your method of shipping goods? Our booklet "Incoming Shipments" presents the Pioneer story from the receiver's point of view. These booklets and our engineering service are free. Just write that you are interested.

119 Automotive Users

One hundred and nineteen manufacturers of automobiles, trucks, parts and accessories are using the Pioneer Boxes and Crates designed for them. They have found the way to better, more economical shipping. For example:

One manufacturer saved more than $1,000 the first month he used Pioneer Boxes—and this included only freight and express charges. Another manufacturer, on hit fender shipments, saved enough on transit costs to pay for the Pioneer crates. These instances are typical of savings made not only in the automotive industry but also in other industries.

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promptly to the Census Bureau. The manufacturers' organizations and the local chambers have been active in the "follow-up" work of the Census canvass, and their activities have enabled the Bureau to conduct its field work at a minimum cost.

The practical value of any statistics of current conditions, whether industrial, social, or other, is obviously dependent to a large extent on the timeliness with which they are issued. Unless they are made available before any considerable changes have occurred in the field covered, their value becomes chiefly historical. It has seemed to some that the time elapsing between the canvass and the publication of the statistics for the Census of Manufactures has been unduly long, though this has been shortened somewhat since the Census was made biennial. Those who complain in regard to the delay in publishing the statistics are probably unaware of the complexity of the process of collecting and compiling them and of the amount of work entailed.

List 200,000 Manufactories

THE CENSUS covers approximately 200,000 manufacturing establishments which are grouped in 333 industries, each establishment being assigned to one industry or another on the basis of the character of its products of chief value. The total number of kinds or classes of products for which the Bureau compiles statistics of values, and in many cases quantities also, is approximately 2,500.

Most of the preliminary operations, such as preparing lists, formulating schedules, and addressing envelopes, are definite factors which can be provided for in advance, but even here, where more or less correspondence is necessary, the facility with which this work can be handled depends to some extent on the promptness with which the Bureau's letters are answered. As the time to begin the canvass approaches, these different lines of activity must be drawn together and coordinated so that nothing shall delay the mailing out of the schedules.

When the Bureau of the Census has done its preliminary work and sent out its schedules on time, it has discharged its duty so far as making a prompt beginning is concerned. It remains for the manufacturers of the country to fill out the schedules fully and accurately and to return them to the Bureau with a minimum of delay. The promptness with which the statistics can be compiled and published depends to a very great extent on the completeness and accuracy of the reports made by the manufacturers, and on the promptness with which they are prepared and sent to the Bureau.

As the canvass progresses and is completed for some of the smaller industries, each report must be analyzed in preparation for the tabulation of the figures. This involves a careful scrutiny of every item and a comparison of the items with one another to ascertain whether the report as a whole is consistent.

As soon as possible after the tabulation sheets have been verified, preliminary reports covering the items of chief importance are issued. As a rule, these reports are in the hands of the public within a few weeks after the completion of the canvass for the industries to which they pertain. They serve to make the principal statistics available at the earliest possible date, and are followed in the course of a few months by the final reports containing the complete and detailed statistics.

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Facing National Business Problems

A Report of the Chamber's Mid-Year Divisional Meetings

ENCOURAGING evidence of the continuing growth of business interest in national affairs is to be found in the results of the two recent mid-year meetings of the Chamber of Commerce of the United States. The meetings were held on December 1 and 2 at Oklahoma City for the South Central Division, and on December 7 and 8 at Seattle, for the Western Division.

Both the programs and the resolutions of these meetings reveal the fact that southern and western business men are giving careful thought not only to problems which are more or less territorial, but are thinking out solutions as well for the larger questions which come before business as national problems.

Declares for World Court

IN THE South Central Division's resolutions we find that the meeting at Oklahoma City declared for such things as the World Court, for ratification of the debt agreements, for a study by the National Chamber of cooperative marketing, for a permanent national peace-time program of taxation, for an extension of the charters of the Federal Reserve Banks in keeping with the general principles of the present Federal Reserve Act, for increased protection against destruction of forests by fires, and for development of waterways.

The Western Division passed resolutions calling for a prevention of shipping waste, for taxation reforms, for an extension of state and municipal budget systems, for cooperation of business organizations in working out solutions of agricultural problems, for flood control measures, for coordinated action in developing forests, for water conservation and control, and for a national policy toward Alaska.

Agricultural and distribution topics had the chief place on the program for the South Central Division meeting. This meeting had as its presiding officer Robert R. Ellis, of Memphis, Vice-President of the National Chamber for the South Central States. In his opening address Mr. Ellis emphasized the rapid development of the South as a business and industrial section and urged the fullest participation by the southern states in the consideration of national questions.

Discussion under the general topic of cooperative marketing was led by Prof. Theodore Macklin, of the University of Wisconsin, and by C. O. Moser, of Memphis, General Manager of the American Cotton Growers Exchange. The problem of distribution was the subject of addresses by John G. Lonsdale, President of the National Bank of Commerce, St. Louis, and by Alvin E. Dodd, of Washington, Manager of the National Chamber's Domestic Distribution Department. Both of the subjects attracted keen interest on the part of the five hundred or more business men in attendance.

Balloting on names to be considered for nomination as directors of the Chamber brought forth the following suggestions:

Fourth District—R. T. Moore, Chairman of Board, Commercial National Bank, Shreveport.

Fifth District—W. M. G. Howse, President, The Johnson-Larimer Dry Goods Company, Wichita.

Domestic Distribution—Ralph P. Merritt, Managing Director, Sun-Maid Raisin Growers, Fresno.

Manufactures—Frederick J. Haynes, President, Dodge Brothers, Inc., Detroit, Mich.

Foreign Commerce—Henry D. Sharpe, President, Brown & Sharpe Manufacturing Company, Providence.

Natural Resources Production—Louis Lipsitz, Managing Partner, Harris Lipsitz Lumber Company, Dallas.

Transportation and Communication—Carl R. Gray, President, Union Pacific System, Omaha.

The Seattle meeting took up a number of subjects in connection with its program, the chief of which were the following: Freight Claim Cause and Prevention, The Hydro-Electric Power Situation in the West, Water Conservation and Control, and The Effect of State and Local Taxation on Business in the West. The presiding officer was Paul Shoup, of San Francisco, Vice-President of the National Chamber for the western states.

The general subject of freight claim cause and prevention was discussed by two speakers, L. C. Cherry, of Seattle, of the Admiral Oriental Line, and E. H. Parker, of Portland, of the Marshall Wells Company. Speakers on the hydro-electric power situation were O. B. Caldwell, vice-president of the Portland Railway and Light Company, J. D. Ross, of the Seattle Municipal System, and Ralph Criswell, of Los Angeles. Water conservation and control, as a subject, was discussed by a number of speakers, including several state engineers. Discussion of the subject of taxation was led by Prof. Carl C. Plehn, of the University of California, William Bailey, of Nephi, Utah, president of the National Tax Association for 1924–1925, and Henry Suzzallo, president of the University of Washington.

Robinson and Dollar Speak

A FEATURE of the meeting was a luncheon by the International Chamber of Commerce, at which Henry M. Robinson, of Los Angeles, was a speaker. Robert Dollar, of San Francisco, was an interesting talker at a foreign trade luncheon held in connection with the meeting.

Suggestions for directors to be nominated for the Chamber produced the following names:

Eighth District—Lafayette Hanchett, President, Utah Power and Light Company, Salt Lake City.

Ninth District—O. M. Clark, President, Clark-Wilson Lumber Company, Portland.

Domestic Distribution—Ralph P. Merritt, Managing Director, Sun-Maid Raisin Growers Association, Fresno.

Civic Development—Arthur S. Bent, Bent Brothers, Los Angeles.

President John W. O'Leary, of the National Chamber, as well as Secretary D. A. Skinner, and other members of the staff, attended the two mid-year meetings. President O'Leary in his addresses emphasized the growing public confidence in business which has come about within the last few years.

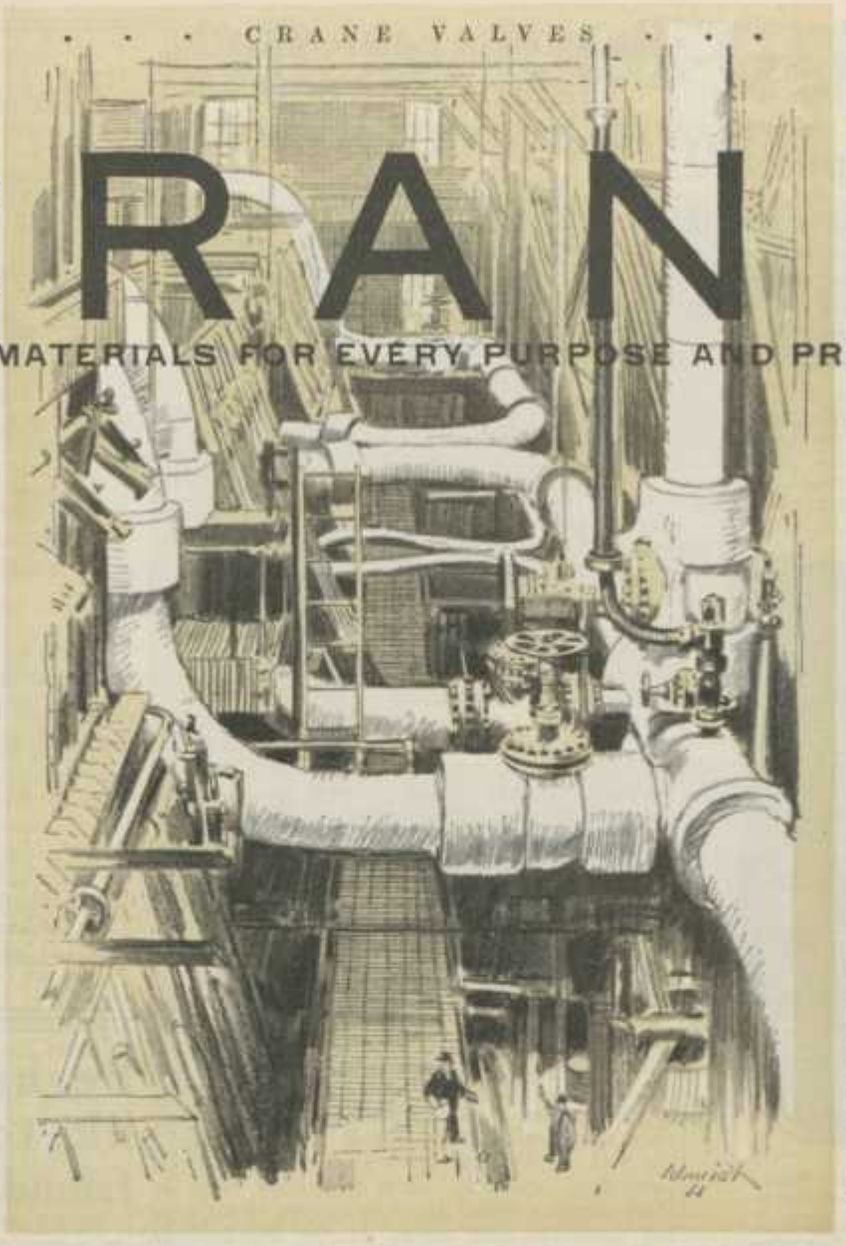
This development, he said, can be traced in large part to the work of business organizations. Not in years, he declared, has the general public attitude toward business been so helpful and so encouraging for the future.—B. H. L.

When writing to KALAMAZOO LOOSE LEAF BINDER CO. *please mention Nation's Business*

CRANE VALVES

CRANE

PIPING MATERIALS FOR EVERY PURPOSE AND PRESSURE





Make certain of Crane quality for even the smallest valves.

High-pressure steam lines in the new Philo Station of the Ohio Power Company, Philo, O. Superheated steam is led to two General Electric turbo-generators of 40,000 K.W. capacity at 600 pounds pressure and 725° temperature. Crane piping, fittings and valves are used. The motor-operated gate valves of electric cast steel with steam of forged monel metal, open or close in 40 seconds. Sargent & Lundy were engineers and architects.

Safeguarding human life while serving human needs

CALLING them "deadly", James Watt, father of the modern steam engine, petitioned Parliament in 1776 to forbid the use of steam pressures greater than 15 pounds to the square inch.

Today, superheated steam at 600 pounds is in use. 1200 pounds is commercially contemplated. Experiments are being made with even the full critical steam pressure of 3200 pounds to the inch.

How are life and property protected in present steam power practice? Or in piping carrying oil at temperatures as high as 1000°, how is fire hazard reduced? How is city water supply guarded? What makes your sink faucet reliable?

The answer is: as long ago as 1868, Crane Co. established a laboratory to chemically control raw materials. Later it determined systematically the behavior of metals and alloys at high temperatures. Both were pioneer efforts in this country.

Power development, oil production, manufacturing processes, rail and water transportation, road and bridge building, farming, home comfort: to the advance of all these, Crane valves, fittings and piping materials have made mighty contributions.

For even the smallest valves in your basement and the plumbing in your walls, specify Crane safety, dependability, economy.

WRITE CRANE CO., GENERAL OFFICES, 836 S. MICHIGAN AVENUE, CHICAGO

Branches and Sales Offices in One Hundred and Fifty-five Cities
National Exhibit Rooms: Chicago, New York, Atlantic City, San Francisco and Montreal
Works: Chicago, Bridgeport, Birmingham, Chattanooga, Trenton, Montreal and St. Johns, Que.

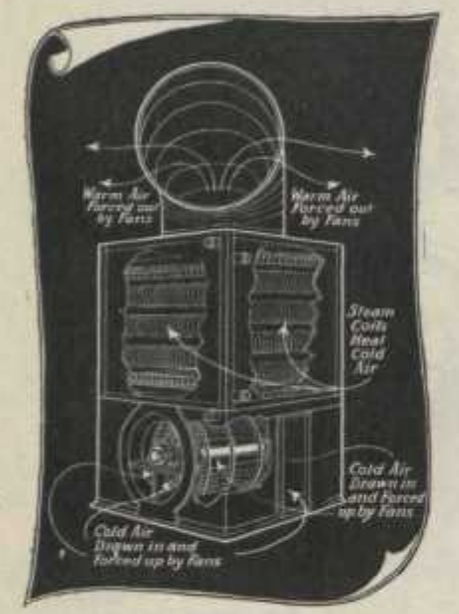
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When writing to CRANE CO. *please mention Nation's Business*

The pioneers in the unit type of heating equipment, striving always for more efficient systems, announce—

The New Improved Two Fan Four Inlet Skinner Bros. Steam Coil Heaters

which have proved themselves by every possible test superior to every other heating and air-conditioning device for factories, mills and industrial buildings, regardless of size, whether of temporary or permanent construction, saw tooth or monitor, single or multistory.



The New Improved Skinner Bros Two Fan Four Inlet Steam Coil Heater

Built in various sizes to meet every requirement of the modern industrial building.

These heaters are more compact than their predecessors and handle more air at a lower velocity because they take the cold air from four directions. Their versatility to meet every requirement in the modern industrial plant has been displayed in no other heating and air-conditioning equipment.

They heat, cool, ventilate, remove steam, prevent drippage, eliminate bad odors, humidify or dehumidify, as required, and do this effectively, cheaply, constantly and as desired.

Our engineers will gladly help you plan the proper equipment for your plant, and without obligation.

We also build Skinner Bros. Direct Fired Heaters for use where steam is not available, and Skinner Bros. Light Weight Copper Tube Heaters, which are rapidly receiving acceptance everywhere.

Shall we send you our latest catalog? Your address on a postcard will bring it.

Skinner Bros. Manufacturing Co., Inc.

Serving Industry for more than a third of a century

Home Office and Factories

1430 S. Vandeventer Ave., ST. LOUIS, MO.

Eastern Office and Factories

120 Bayway, ELIZABETH, N. J.

SALES OFFICES AND BRANCHES IN ALL PRINCIPAL CITIES

Business Ethics and Balance Sheets

By ERNEST F. DuBRUL

General Manager, National Machine Tool Builders' Association, Cincinnati

THE CYNIC about business ethics pretends to believe that as a cold business proposition it does not pay to be ethical, and that the whole movement to establish better ethics in business is merely a futile gesture. But if the truth were known, it would be seen that ethical conduct in business is absolutely reflected on the balance sheet.

Take any list of bad business practices that, in isolated instances and in isolated places, have crept into any industry. Any one with any business sense will say that if every competitor were to indulge in all these bad practices for a period of thirty days, the whole industry would be so demoralized that they would simply have to right-about-face, or be in the hands of the sheriff in less than a year. Even the few managers, who may slyly indulge in a few of these practices at odd times, would admit that they themselves could not indulge continuously in very many of these practices without bringing ruin on their businesses.

It is a peculiarly warped mind that excuses itself for indulging in any of these things at any time. It is a mind that thinks itself a little smarter than all the rest of the industry. It thinks it can be the single exception to a rule it knows to be applicable to every other management in the industry.

Warped and Twisted Thinking

IT IS warped and twisted thinking to believe this. If these men would actually look their own thinking squarely in the face, they would admit that that is just exactly the sort of thinking which leads to the actions they indulge in. It is no wonder that their conduct, based on such warped thinking, produces bad effects on the balance sheets of their business. Where figures are available these effects can often be definitely measured.

This was illustrated by two cases that came to the notice of a financial man who engineered a combination. The merger took in a company managed by a man who drew a good big salary, and received additional compensation over and above his salary, in proportion to the amount of net profit the company earned. This manager was known in his industry as being given to price-cutting practices in getting business. His company earned but a small profit on a large volume.

The financial man looked into everything, including the president's head, out of which he drew the following business philosophy, or ethics, or whatever it might be:

"This concern simply has to have volume to earn any money, and I get it, by straight prices if we can, and by a little sharp-shooting here and there when we must. Last year I had to cut prices pretty deep, but we got our volume and earned a little money. If we got two or three of these concerns together, the volume would be greater with less overhead."

The financier then interviewed the manager of another concern that was a one-price house, and has about half the investment and volume of business enjoyed by the first company. The manager drew a smaller salary in proportion to the business of the

The Mayflower



Washington's Palatial New Hotel

Home of Leaders in Statecraft, Diplomacy, Finance and Industry

Business and professional men will find here the acme of luxury and comfort, at rates no higher than at less finely appointed hotels.

Four Short Blocks from U. S. Chamber of Commerce on Connecticut Avenue Seventeenth and De Sales Streets

Perhaps you'd like to send your friend this COUPON:

To the UNITED STATES CHAMBER OF COMMERCE, Washington, D. C.

I'd like to examine your official publication, "NATION'S BUSINESS," so you may send it to me on trial. If I decide I want it after reading the first number you send, I'll mail you $7.50 for the three year term-enrollment. If I decide I don't want it, I'll merely notify you then to cancel the enrollment and there will be no charge.

Name.....

Address.....

City.....

State.....

Date.....

2-26

It offers him the examination privilege

concern, and likewise shared in the profits as additional managerial compensation dependent on the profits as such.

The reports showed that the company with the smaller business made twice the amount of money made by the unethical competitor, and the financier learned that the manager of the ethical competitor had received larger total compensation than the manager of the unethical competitor.

The financier drew the manager of the smaller concern into a discussion of his own price policy, and his explanation was something like this:

"During the last year we lost some few orders due to price-cutting indulged in by our unethical competitor. At the rate of our participation in the total business, I assume that perhaps all competitors together may have lost to this competitor, something like half a million dollars' worth of orders.

Fair Percentage of Return

"NOW, IN no case was the price cutting less than 10 per cent and in most cases it ran from 20 to 30 per cent, so that I should say that this competitor got business that he took away from the rest of us by his sharpshooting, at about $400,000. He of course could not get all the business even at a cut price, because each of the concerns in this business has customers who prefer its product, and who think its list prices reasonable.

"I estimate that we lost $40,000 of orders at our prices, but then we took $1,400,000 worth of orders at our prices, on which we made our profits. I judge from the size of our competitor's establishment and his general activity that he probably sold twice as many units as we did, but at prices that must have left his concern but little profit. Whereas our profit was a satisfactory and sensible percentage of return on our investment, his company's profit could be only a slight return on his stockholders' investment.

"Our margin on $1,400,000 of business was sufficient to pay a fair dividend and leave something for surplus, but his margin on twice the units, and less than twice the dollar volume was not enough to pay a dividend on the value of the investment.

"Now in every one of the sales we lost to him, our sales organization was touched on the raw by this competitor's unethical methods. Time after time different men in the sales organization would argue that we ought to fight the devil with fire. But I kept a record of the actual amount of business lost and showed how little it was. I showed them that it would not pay to make discriminating prices in isolated cases; that the news of such prices would quickly spread to the whole industry; that our whole price structure would be brought down to the lower level.

"On the basis of 20 per cent lower price, all our profits would disappear and some of our capital as well. Therefore it was much better to let the unethical competitor hang himself on the low price. I'd rather do a smaller volume at a profit, than a larger one at a loss."

The end of the story was that when the combination was completed, the stockholders of the smaller, but ethical competitor came off very well indeed in the price paid for their stock, and the investors in the larger concern did not fare nearly as well, per dollar of original capital. Furthermore, the wiser and ethical manager of the smaller concern was elected to guide the destinies of the combine, while the less wise and unethical manager had to hunt another job.

BLAW-KNOX GARAGES ANSWER A GROWING DEMAND



Blaw-Knox steel garages
Erected by Conde Nast Publishing Company



Garage for Worthington Pump Co., Harrison, N.J.

Typical example of Blaw-Knox steel garage

A GROWING demand on the part of large companies for the proper housing of their employees' cars has been answered by Blaw-Knox.

Adequate protection from fire and storm; permanent *time-tested* housing which can be taken down and moved about, or put to emergency use if necessary; a factory yard of orderly appearance. These are some of the returns from a low initial investment that have gratified manufacturers who have seen the wisdom of erecting only scientifically-designed, factory-made steel buildings.

They have "put it up to Blaw-Knox."

Does the employees' garage problem confront you? Or is it some other industrial building need?

Blaw-Knox methods provide for meeting your exact specifications from standard parts—and immediate shipment and quick erection are guaranteed. One order covers everything.

You, too, can "put it up to Blaw-Knox."

Send for descriptive literature and prices

BLAW-KNOX COMPANY, PITTSBURGH, PA.
614 FARMERS BANK BUILDING

District Sales Offices

NEW YORK BUFFALO CHICAGO BIRMINGHAM DETROIT BALTIMORE CLEVELAND 516 UNION BLDG. PHILADELPHIA 231 No. 12th St.

BLAW-KNOX

All purpose, one story Buildings

When writing to BLAW-KNOX COMPANY *please mention Nation's Business*



Williams Holder Top Shaving Stick

The stick is held by a threaded metal ring—no chance of its working loose in the holder. Re-loads are equipped with this same ring, insuring a sure fit in the holder.

Its *lather* is famous —the Holder *holds*

AFTER all, even a perfect product isn't worth much to you if it isn't made in a form which suits itself to your convenience. Take Williams Shaving Stick, for instance. It gives the famous Williams lather—saturated with moisture—easy on the razor, easier on the skin; all that goes without saying. But it has another great advantage.

The Holder-Top

The Williams Holder-Top has a metal-to-metal grip which makes it impossible for the soap to work loose in the holder. Each Williams stick or re-load is made with a carefully threaded metal ring at its base. This ring engages with a corresponding thread in the Holder Top, so that there is no guesswork as to whether or not the stick will hold.

Saturated Lather

Don't expect to get Williams results from other shaving soaps. Williams stick works up quickly into a rich, bulky lather—so full of moisture that all of each hair becomes saturated with it. This means an easy job for the razor—it just glides along. Williams soothes the skin, leaving it glove-smooth, thoroughly conditioned.

Three generations of specializing in shaving soap manufacture stand behind all Williams products. We make stick, cream, powder, tablet—four forms, one lather—Williams.

The J. B. Williams Co., Dept. 82, Glastonbury, Conn. If you live in Canada, address The J. B. Williams Co., St. Patrick St., Montreal.

Williams

Aqua Velva is our newest triumph—a scientific after-shaving preparation. A few drops keep the face like velvet all day. We will send a 150-drop test bottle free.

Digest of the Business Press

Comments from the Trade Journals

By WM. BOYD CRAIG

THE USE of the phrase "artificial wool" or "synthetic wool" in describing a new class of manufactured fibre has developed a certain amount of "criticism and misunderstanding, which after all must be tied up with the nomenclature rather than with the fibre itself," says *Textile World*. "The importers of Sniafil, which is the outstanding example of this new product in the American market, say that they have never called their product 'synthetic wool' and that they have mentioned 'artificial wool' in connection with it only as a casual descriptive phrase because the fibre most nearly resembles wool in appearance both in the raw and when made up into yarn and fabrics.

"Points of dissimilarity exist in dyeing properties, warmth and loftiness, but with full recognition of that, some say that it is the nearest thing to wool that they have ever seen."

One suggestion for a name for the new textile was "Snell," to be a trade name of the type of "rayon."

Drug and Chemical Markets reports that the Commercial Fibre Company of America, sole importer of Sniafil, has received information that preparations to supply Sniafil in large quantities are well under way and that before the end of 1926 Snia-Viscosa expects to have a daily production of 150,000 pounds. The same journal states that a combination of as high as 90 per cent of Sniafil and 10 per cent of natural wool is satisfactory from the standpoint of the ordinary consumer and knitter.

The Stockman and Farmer adds that the producers expect it to be classed as rayon waste under our tariff, dutiable at 10 per cent, and that it may be sold here at about seventy cents a pound.

"They claim also," the *Stockman* continues, "that the mixture of Sniafil with wool will have the same effect on the woolen industry as the mixture with rayon has had on the silk and cotton industries—larger consumption in cheaper mixed fabrics. Let us doubt this last statement until experience has proved it."

Road Fight Over Federal Aid Promises to Be Bitter Feud

"THE LONG expected fight on the federal aid road program now seems certain to take place soon," according to *Automotive Industries*. "With the representatives of important eastern sections and probably President Coolidge arrayed against a continuance of federal aid in highway building, the whole policy is in for a more serious opposition than ever before. But the program will not be beaten without a terrific battle. Had it not been for federal aid in constructing highways in various states, thousands of acres of land now under cultivation would probably be barren; development of new communities would have proceeded at a slower rate; and what money was applied might have been spent far less efficiently."

Automotive Topics urges support of the program just as enthusiastically, and sees in the opposition the heavy hand of sectional interests. "It is argued, for example, that the eastern states, which are the heaviest taxpayers, require comparatively little aid because their systems are well under way. But the Mid-west, through a Kansas editor, now retorts that the East owes something to the Mid-west on account anyway, and objections to paying it in this manner are not graceful. His contention is that a protective tariff enabled the East to lay up a taxable capital. He adds to this the stronger argument that since the markets for eastern products lie largely to the westward, the development of prosperity through highway building should be regarded in the light of a project for building future business."

England has her road problem, too. The unknown quantity, i.e., where to get the money to pay the bills, is the same to the M. P. that it is to our own law-maker, national or state. A quotation from the *Manchester Guardian Commercial* sounds strangely familiar:

"There is everywhere increasing hostility to the suggested raid on the Road Fund. Motorists, of course, are up in arms at the bare thought of any interference with the roads. So are the local authorities. So are the retail distributors, who with ever-increasing fleets of fast motor vans, cover ever-growing areas round all our big cities. And so, too, is that often forgotten mortal, the man in the street, who does not own a car, but who with his wife, occasionally goes for a walk in the country. His interest, as much as the motorist's, lies in more and better roads, so that now and again he can get away from the almost ubiquitous car."

Fear of World-wide Trade War Felt as Answer to Monopolies

SECRETARY HOOVER'S fears for an economic trade war are echoed from the pages of the trade journals interested in the substances—coffee, rubber, and the rest—which were enumerated as necessities of American life. *Commerce and Finance* finds that opinions differ as to the wisdom of Secretary Hoover's war on the foreign combinations organized to maintain the value of these commodities. It also sees an accentuation of the prejudice against Uncle Sam on the part of several Latin American countries and in some sections of Europe.

Rubber has procured the brightest part of the spotlight for the time being but is threatened for position by coffee, sugar, potash, and even quinine and ipecac.

In discussing the resolution of Congress directing the Committee on Interstate and Foreign Commerce to investigate the control and distribution of crude rubber, coffee, silk, nitrates, potash, quinine, iodine, tin, sisal, quicksilver and wood pulp, the *Pennsylvania Stockman and Farmer* asks what can be done about it even if it is found that these products are under the control of organizations which have official approval of their governments. It points out that it will be much easier to get the facts than it will be to change them.

"In the end the solution will come about naturally enough, through stimulation of production, restriction of consumption, invention of substitutes, discovery of new sources of supply, all of which are the inevitable result of high prices."

Cotton thinks that we are in for more of a trade war than we have yet experienced.

"A United States of Europe, at least as an economic entity arrayed against the United States of America, is evidently in the offing.

"This movement is helped by the attitude of aloofness which the United States has maintained since the war ended. The sentimentalism which ran rampant while we were spending millions on war in Europe has been supplanted by a skepticism and suspicion and scorn equally as extreme.

"In our controversies elsewhere we won't be able to count on getting much aid or sympathy even from former associates in war.

"While American trade will be affected, and some parts of it vitally, too, it on the whole will not be seriously disturbed.

"But the star of empire, of established world leadership, which has been hovering over this country will not for the present take permanent position far westward of its pre-war setting."

A review of the situation in *Manufacturers*

THE 50TH ANNIVERSARY OF THE CHICAGO DAILY NEWS

FOUNDED fifty years ago, when Chicago was rising from the ruins and ashes of the Great Fire of 1871, The Chicago Daily News has measured its own growth by that of the city of which it has been a part. Stride for stride it has marched abreast of the industries, the commerce, the influx of capital and the growing population which have made Chicago the Fourth City of the World.

The Chicago Daily News has held consistently to its original purpose to publish a good newspaper, sincere in its convictions, enterprising in its news-gathering, and independent in its advocacy of all that best serves the public interest. It aims to print only true news—clean news. Its practice is to exclude from its columns all advertising that does not tell the truth.

Its editorial policy is based on a full recognition and acceptance of a moral responsibility to all the people, irrespective of racial, political, religious and industrial distinctions. While always giving in full measure news, entertaining features and special articles suited to the tastes of every type of reader, The Daily News takes special pride in reflecting and promoting those new and joyous aspects of life that are instinct with youth and youth's progressive purposes.

Under these convictions and policies of administration The Chicago Daily News has steadily developed as an institution of ever-broadening public service. The public has rewarded it with its confidence and an increasing measure of support in both circulation and advertising. Its circulation at the end of its first year, 1876, was approximately 10,000. Its daily average for the year 1925 was approximately 400,000 concentrated to the extent of 94 per cent in Chicago and its suburbs, distributed wherever Chicago citizens build their homes.

Because of the generous confidence and support of its readers The Chicago Daily News ranks among Chicago daily newspapers as the leading advertising medium of Chicago merchants and Chicago business interests generally.*

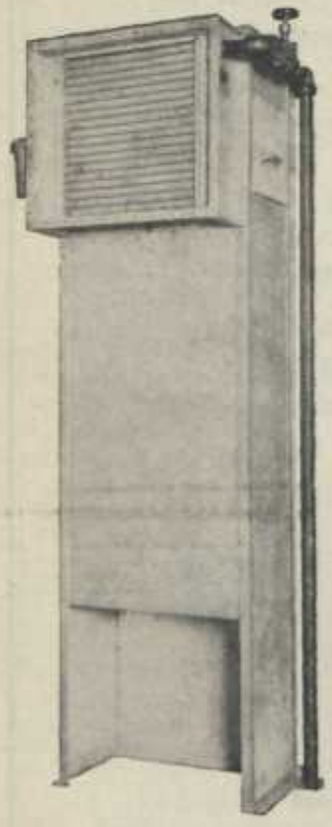
THE CHICAGO DAILY NEWS

First in Chicago

*In 1925 The Chicago Daily News was the only daily newspaper in Chicago to publish over 20 million agate lines of advertising (the exact figure is 20,483,166), and was the only Chicago daily newspaper to publish over 1 million separate "want-ads" (the exact figure was 1,001,598). It is of added interest to advertisers that the 1925 figures show a gain of 899,796 agate lines over 1924 and 72,152 more "want-ads" than in 1924. *Figures furnished by the Advertising Record Co., an independent audit bureau maintained by all Chicago newspapers*

In what Other Heating Method can you get these amazing Advantages?

The Venturafin METHOD OF HEATING



1. More than 5 times the heating efficiency of direct radiation.
2. One-tenth the weight of direct radiation.
3. One-fourth the space of direct radiation.
4. Much less time to install than direct radiation.
5. Positive heat in the most severe weather.
6. Even distribution of heat.
7. The ability to heat up more quickly than direct radiation.
8. Adaptable to practically any position without loss of efficiency.
9. Considerably less heat loss through walls than direct radiation.
10. Low cost of installation.
11. Considerable saving in fuel.
12. The minimum of maintenance cost.
13. Copper and brass coils, non-corrosive, non-breakable.
14. Portability without great expense.
15. Ventilation as well as heating.
16. No alterations to install.
17. Applicable to practically any heating need without special construction of units.
18. Practically indestructible.
19. Simplicity.
20. Ease of control.

Write for Complete Data

AMERICAN BLOWER COMPANY, DETROIT
BRANCH OFFICES IN ALL PRINCIPAL CITIES
CANADIAN SIROCCO COMPANY, LIMITED, WINDSOR, ONTARIO

(464)

American Blower

"Sirocco" VENTILATING, HEATING, AIR CONDITIONING, DRYING, MECHANICAL DRAFT

Manufacturers of all Types of Air-Handling Equipment — Since 1881

When writing to AMERICAN BLOWER COMPANY *please mention Nation's Business*

News reminds readers that as well as the House investigation, the Department of Commerce itself is getting at the matter by preparing plans and ways to put an end to any American credits which, "directly or indirectly, go to assist these monopolies in any way. While no boycott is advocated, steps are being taken to eliminate all waste in use of these commodities in this country, thereby reducing the demand and weakening the market to that extent. It is believed that American consumption of rubber can be reduced by one-fourth in this way."

Some extreme measures are advocated in retaliation. One plan was introduced into the Massachusetts Legislature which called for the cancellation of all insurance carried in British companies because the price of rubber is too high in this country. *The Standard* deplores this movement, remarking, "To do so would be to invite the ridicule of the rest of the country and make Massachusetts the laughing-stock of the nation."

Secretary Hoover's attempts to curtail credit as extended to monopolies had quickest effect in the proposed Potash Loan for German interests. Upon request, American bankers withdrew from any connection with the loan. The loan was quickly taken in Throgmorton Street, and the *Manchester Guardian* thinks that England got the best of the bargain. "The Loan went like the traditional hot cakes, and once again we have rather the laugh on our American friends, who turned down what appears to be good business."

Thinks Mr. Hoover Sees Ahead

DRUG and Chemical Markets comments on the situation thus: "There can be only one inevitable result of this high-cost financing, Mr. Hoover's critics state, that is, it must be absorbed in potash prices. They look for higher potash prices with American customers as their biggest consumers, paying the greater part of the bill. If Mr. Hoover was looking to the enforced development of American potash—and potash independence—he most certainly cannot be accused of shortsightedness. His vision probably goes further ahead by a number of years than that of his critics who merely see higher potash prices ahead."

The Statist sounds a note of warning of possible American tactics. It says: "If, in addition to Secretary Hoover's economizing plan, American manufacturers, as the dominant consumers, working in connection with the Department of Commerce, refuse to buy or to finance additions to rubber stocks, a position will arise requiring the earnest consideration of producing interests, who lack cohesion, and are, consequently, exceedingly vulnerable to just such a campaign."

India Rubber and Tire Review says that newspapers in London and rubber journals teem with news and editorial statements upon America's rubber-growing plans, the Firestone project particularly. *The Review* records that the comments are interesting, and usually sarcastic, and concludes from the amount of space given to the subject and the nature of the treatment that the press is more impressed than it cares to admit.

India Rubber Journal of London calls the Firestone scheme a jumble of inconsistencies, and opines that "there is probably no one in the city of London who would give £5,000 for the whole bag of tricks." *The London Morning Post* says that "the principal, or the most picturesque business of Liberia—the future site of America's 'rubber empire'—has been, in the past, the sale of picturesque postage stamps."

The American Metal Market and Daily Iron and Steel Report notes a peculiar twist in the rubber situation. It calls to mind the statement of Mr. Hoover that owing to the high price of rubber, the price of medium-priced automobiles might have to be advanced from $50 to $75, and contrasts this with the announcement of a "tremendous price reduction" and rebate to buyers after December 15 by a well-known automobile company. "It might well be interpreted as an unkind action," says



Motorists need no bright headlights here. See the uniform brilliance in this night-time view—a beaming moon every hundred yards is focused on the road.

Beaming Moons

Atlantic City is not only "The World's Playground" but one of her busiest and best-lighted cities.

Thirty thousand motor cars, last Easter week-end, approached it via Pleasantville Boulevard. Yet so perfectly is this highway lighted that a 30-mile gait, any hour of the twenty-four, is not only legal but safe.

Atlantic City's lighting plan is a fine example of co-operation between city and country. Thoroughfares that attract motorists and pedestrians day and night benefit merchants and the public alike.

The magnificent lighting of Atlantic City Boulevard results not from extravagance but from research. The General Electric Company engineers who made it possible work constantly with public officials. Streets and highways everywhere, through their efforts, are better lighted and at low per capita cost.

GENERAL ELECTRIC

44-431

When writing to General Electric Company *please mention Nation's Business*

A revolutionary development in factory Seating



New Low Prices

DO/MORE HEALTH CHAIRS

New construction principles and large volume now enable Do/More to offer factory seating embodying all Do/More Health Chair features at surprisingly low prices.

Do/More factory chairs are practically indestructible. Scientifically designed to seat the worker in a correct natural posture—spine straight, lungs expanded, and body organs in proper position for good health.

By eliminating fatigue, Do/More Chairs improve factory morale, keep employees happy and contented, and speed the day's work. Take advantage of new low prices to effect complete standardization on Do/More seating. Write for facts.

DO/MORE CHAIR COMPANY
Elkhart **Indiana**



Do/More Chair Co., Dept. 101
Elkhart, Ind.
Please send me the facts and the new low prices on Do/More chairs. We can use

(State how many)

Name.....

Address.....

The Metal Market and Iron and Steel Report.

"As all thinking men have realized," says the same publication in another issue, "The United States has been drifting toward an unfavorable economic situation by loaning money abroad without considering payment of principal and interest. It is at least some palliative if we have to pay higher prices for the goods we import. It may be irritating to some, but there is at least a silver lining to the cloud."

Textile World is interested in the subject because "the successful growth of such monopolies means inevitably their extension to other products. Textile manufacturers will safeguard their own future if they will exercise the full weight of their influence to hasten the prosecution of the program outlined by Secretary Hoover. Finally, it must be pointed out that this whole matter has a very vital bearing on the very sensitive fabric of international relations. Peace cannot be preserved in the world if we allow governments to handle international trade."

Drug and Chemical Markets says: "Not only does the rubber market affect the chemical industry as a field where the manufacturer can sell a certain amount of accelerators and compounding materials, but recent developments in the raw rubber market are having a far-reaching effect on certain raw materials going into the drug and chemical industry. The high prices in rubber are attracting laborers in primary markets to that field. Logwood and ipecac have been two of the conspicuous sufferers and prices of both have been affected. Ipecac has been practically unobtainable lately. It may seem a far cry from a rubber tire to a black stocking and a dose of an emetic, but it is another example of the interlocking closeness of the world's industries."

Iowa Corn-crop Crisis Severe; Proves Puzzle to Politicians

MANY editorial comments on the Iowa corn situation are strongly tinged with a political flavor. Others attempt to discuss the problems of the Iowa farmer from an economic standpoint. Other opinions are difficult to label as anything but opinions. The only trade journals advocating aid for the farmer are those directly devoted to the farmer's interests, and these generally regard the situation of the Iowan as typical of farmers of the country.

Wallaces' Farmer says that "the farmer believes that agriculture deserves protection as much as industry or labor. If he is not to share in the benefits of protection, why should he support it? It will take more than indignation and oratory to answer that to the farmer's satisfaction." Discussing a news item emanating from Washington to the effect that discussion of the McNary-Haugen bill and agitation for bills of its type had died down, the same paper continues: "Demand for justice does not die so easily. Until the protective system is remodeled to include the farmer, the agitation for making the tariff effective on farm products will continue."

"Briefly explained, the Dickinson bill, which is a substitute for the McNary-Haugen measure, embodies the principles of its prototype," according to *Who Is Who in the Grain Trade.* "It purposes to have the Government assume responsibility for crop surpluses out of the country, disposing of them in a manner to permit better prices in the United States."

"Congress has refused to enact either the McNary-Haugen bill or the Dickinson substitute. The scheme has, therefore, been frowned upon by the national law-makers twice, and yet its friends are back at the firing line and attempting to formulate a big political issue over the question."

The Prairie Farmer sees encouragement in Secretary Jardine's annual report, particularly in the statement: "Measures to regulate the movement of surpluses into consumption so that unnecessary price fluctuations can be avoided and speculative hazards lessened are urgently needed." "This will not be the final answer," according to *The Prairie Farmer,* "because it would be manifestly unfair to expect the cooperatives to charge up to their members the cost of carrying over and disposing of the surplus for the benefit of members and nonmembers alike. No cooperative could do this and survive.

"We are glad that Secretary Jardine is considering the surplus question and hope that he will think it through to the logical conclusion."

First Step in Recognition

REGARDING the approval of the President and Secretary Jardine of cooperatives as a first step in recognition of the farmer's program, *Wallaces' Farmer* points out that "step by step the farm forces have been driving the opposition back. One peculiarity of the campaign is worth noting. The farmers always get something less than they ask for. Will it be necessary to put on a real drive for tariff reform before the McNary-Haugen principle will be accepted?"

Southern Ruralist remarks that cotton falls into the same category as corn in so far as market conditions following overproduction are concerned. This organ reminds its readers of the reports of the Department of Agriculture with the general index number showing that the agricultural dollar is now worth 88 cents as against the "100 cents" industrial dollar. "In other words, the farmer is suffering from a 12 per cent handicap in his struggle to attain an even footing with industry. The answer is, industry has its high tariff which keeps up the price of industrial products and labor has its immigration restrictions which keep wages up. The question, of course, is what can agriculture have that will give the farmer an even chance with the industrial leader and the industrial laborer?" *Wallaces' Farmer* advances the same argument; thus: "On the whole, corporations have been a blessing to humanity, but they are also a special privilege. Farmers need a special privilege of their own to offset that which a corporate form of organization gives to city industries."

Iowa, with the largest corn crop in her history, some 477,386,000 bushels, is particularly hit, says the *Washington Farmer,*

"Iowa farmers are wondering anew why a large corn crop should not be worth more than a small one. Losses on this year's crop are variously estimated at up to $400,000,000. The farmers of the country received $200,000,000 more for the corn crop of 1924 than they did for the crop of 1923, though the 1923 crop was greater by 600,000,000 bushels."

"God is on our side," writes a member of the Burley Tobacco Growers to *Wallaces' Farmer.* "Another short crop this year is proof of that." This journal adds:

"What a mess our present economic system is when each class of producers can look upon shortage of production in its field as a blessing! When will we learn to adjust our system of rewards so that a surplus can be regarded as a boon to all rather than as a curse to the class that produced it?"

Danger in Surplus Holding

COMMERCE AND FINANCE thinks that a method of surplus holding might in the end merely shift unrest from agriculture to the industrial classes, by maintaining an artificially high scale of food prices. "To subsidize the farmer," says this magazine, "would be to foster an economic weakling." It is pointed out that arguments for diversification are fallacious in view of the present trend toward intense specialization.

The Prairie Farmer sees only disappointment in the President's message in its treatment of agriculture. "He does not recognize the existence of the surplus problem. He takes a slap at the export corporation plan. There is nothing new in the agriculture paragraphs and little that is encouraging other than his endorsement of cooperative marketing."

Shoe and Leather Reporter remarks that the

When a single fire is equal to a conflagration

American business has grown to such gigantic proportions, its property values have become so great, that a single fire in a large plant may assume the proportions and importance of a great conflagration.

The great conflagrations of the past century, particularly in New York, Chicago, Baltimore, and San Francisco, have been the acid test of an insurance company's true worth. The record of the Hartford Fire Insurance Company at the time of the San Francisco disaster fills several pages in its history, but the comment of the *San Francisco Chronicle* gives an outsider's observations of Hartford methods:

> *"The Hartford Fire is one of the companies spoken of very highly in the matter of adjustments. It had such a strong force of capable men to handle claims that, although its losses were larger than those of any other company, it disposed of its obligations promptly."*

The record of the Hartford in all conflagrations for over one hundred years indicates not only the financial strength of the company, but also the spirit of the organization in meeting any obligations it may assume.

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tanners were found in much the same unfortunate circumstances as the farmers in the period of depression just following the war.

"We have not asked for special dispensations from the Government although caught in the same maelstrom with the farmers. The tanners have not organized a bloc or attempted to bludgeon congressmen or senators by threats of strength at the polls. The tanners desire nothing better than to be permitted humbly to work out a salvation in fear and trembling."

Attacks Western Senators

RAILWAY REVIEW sounds a warning that the farmers are being imposed upon by their leaders in Congress. To quote:

"Will the farmers of Minnesota, who are responsible for the economic vagaries of Senator Shipstead; and their brethren in Iowa and Wisconsin and North Dakota and Kansas, who elected Brookhart and La Follette, Jr., and Frazier and Capper, will they agree to accept a limitation of their earnings, and divide equally with the less successful farmers if those earnings pass a certain point, say 6 per cent? This is the path into which, blindly, they are following the leaders they chose, and this is the Communistic pasture into which the paternalistic government has herded the railroads for the past five years.

"Do farmers really wish the country to believe that the so-called leaders actually reflect the sober, thoughtful opinion of agricultural America? How many of the nation's 6,500,000 farmers believe, for one moment, that the Government of the United States can be led into guaranteeing them against loss by adopting the crazy price-fixed scheme introduced into the Senate by Shipstead? In the face of the incontrovertible fact that the Government would now owe the railroads much more than a billion dollars if it actually had guaranteed them any certain net return when it enacted the Transportation Act in 1920, how many of these millions of farmers still cling to the outworn buncombe circulated among them by these senators?

"Eventually—it may not be for years—the farmer will learn that the salvation of agriculture is distribution; that, given adequate distribution, there is no such thing in this world as overproduction. Create these conditions and agriculture will have its fair return, its net return; such conditions never will be set up in this country by the Shipsteads, the McNarys or the other radical comedians in Congress."

Russian Trade Volume Grows But Flour Now Is Imported

REPORTS on the economic, financial and social conditions of life in Russia under the soviet union continue to be as conflicting as they could possibly be. The semi-official organ of the U. S. S. R., published at Washington, namely, the *Russian Review*, continues to scatter information as to what is, and to an even greater extent, what will be in the future for Russia. This propaganda is of the frankest sort, omitting all qualifying phrases and sources of information.

Manchester Guardian makes the following pertinent comment on the situation of the country:

"Many interesting details may be gleaned from the volume of statistics published by the Board of Trade relating to the trade of foreign countries. From a recent issue a contemporary gathers, for instance, that there has been lately greater prosperity among the working classes of Germany, judging from the greater number of oranges and eggs now imported into Germany.

"Even the inhabitants of Soviet Russia are living in improved circumstances, it seems, since 'there is a considerable improvement in the quantity of food, drink and tobacco purchased. Russia's trade now shows remarkable increase in soap, sugar, perfumery and cosmetics (!) But it is significant that she is still importing *flour* in considerable quantities.'"

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4. Six miles of trackage, the first unit in a network of thirty miles of railroad tracks.
5. Residence districts immediately adjacent and within walking distance offer an excellent supply of labor.
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Syrups.
Tin and sheet metal products.
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Vehicle bodies.
Wash boards and ironing boards.
Boots and Shoes.
Petroleum products.
Wire and nails.
Oil well machinery and supplies.
Screen doors.
Furniture, including theater, church, bank and office fixtures.
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Floor Coverings.
Prepared Roofing.
Sash and doors.
Tanneries.
Textile Mills.

In behalf of The Fairfax Industrial District, we have published a booklet, "The Kansas City Market," which executives interested in these and other industries may obtain on request. It deals in a practical way with facts concerning the territory, the value of its products and statistics concerning its buying power, by states.

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Recent Federal Trade Cases

Trial Examiners Put in Separate Division—"Fictitious" Prices on Music Banned in Prohibitory Order—Company Had no Right to Use Edison Name, Commission Says—Dismissals—Report of Trade Practice Submittals—Oil Company Selling Stoves Ordered to Discontinue Price Maintenance.

BECAUSE of criticism that the division which investigates and recommends complaints should not select the examiner to try a case, the Commission has authorized an independent division to include the trial examiners. Through this arrangement the chief of the new division will designate the examiner for each case. The preparation of all stipulations in settlement of applications for complaints is also assigned to the trial examiners' division. This change does not signify an increase of employes or of duties, the Commission explains, but only the assignment of "those related duties where they logically belong," and that "every one of the duties specified or contemplated to be performed by this new division is now performed by someone in the several departments."

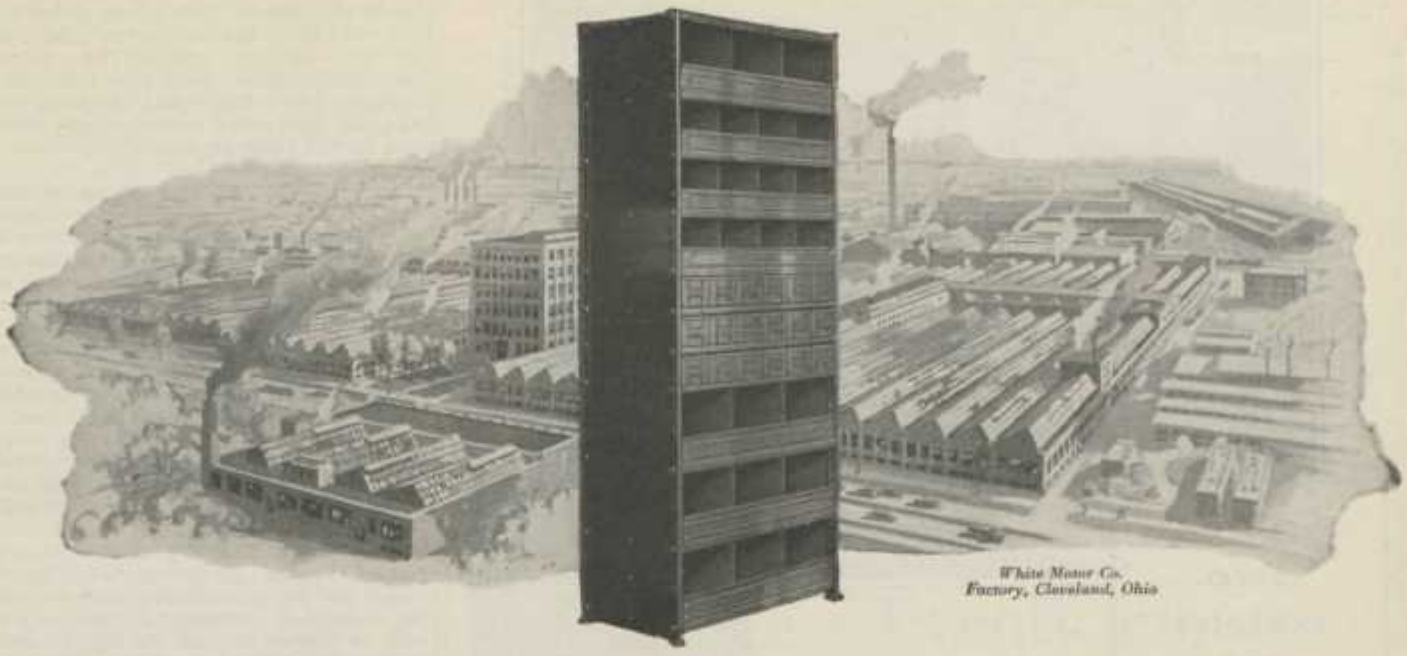
IN ACCORDANCE with the Commission's position that the printing or marking of "fictitious" prices on music publications is an unfair method of competition and against public interest, an order has been issued requiring a Chicago company to discontinue the marking of its musical publications at 33 1/3 per cent higher than the price at which the company is alleged to have expected and intended that it would be sold at retail. This practice, the findings say, enabled some music teachers, schools, and retailers to charge one-third more for the company's music than for music of a similar character.

Through the initiative of the Music Publishers Association of the United States a trade practice submittal was held with a member of the Commission presiding, and a resolution was passed and later approved by the Commission to the effect that "music is to have the price printed on it which is substantially that which the publisher believes the music will bring under normal conditions of competition." Although the president of the Chicago company cited attended the trade practice submittal, and voted for the resolution, the Commission says, he continued to put "fictitious" prices on his products despite the fact that virtually all of the other music publishers represented at the submittal thereafter marked their music with the true retail prices.

By reason of the Chicago company's practices, the Commission concludes, trade is diverted from competitors who truthfully mark their music, and dealers, schools, and teachers are given the means of defrauding the ultimate purchasers of the Chicago company's products.

USE OF the word "Edison" in the corporate name of a New York company is forbidden by the Commission in a prohibitory order which also requires the company to discontinue representing to customers and to prospective customers that it is connected with any of the Thomas A. Edison companies. The company cited sells through agents an assembled electrical fixture for the illumination of offices, stores, show rooms, work shops and other buildings.

According to the Commission's findings, the company has had no permission from Thomas A. Edison or any one operating under his authority to use the name Edison in its corporate name. The Commission contends that the company used the Edison name for the purpose of trading on the reputation and goodwill of the Edison company, and that the company instructed its salesmen and solicitors to



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say that they are selling an Edison fixture which would give greater illumination at less current cost than other lighting devices using bulbs of the same watt and voltage. These statements, the findings assert, were false and made deliberately and willfully with the intent to mislead the prospective customer into the belief that he was doing business with the New York Edison Company.

In the marketing of its lighting fixtures, the findings say, the company used a contract in which it was plainly stated that "these lamps are not on trial." Despite that statement, the Commission contends, the company's agents said that the fixtures would be installed on trial for two weeks. Signatures on the contracts used by the company, so the findings say, were obtained while the prospective purchasers were busy with customers or while attention was diverted in some other way. The contract also provided that, in the event the purchaser failed to meet a payment when due, the entire amount remaining unpaid on the contract would become due and immediately recoverable by the company.

Many of the fixtures proved to be unsatisfactory to the purchasers, the Commission found, and when installments were not paid by the dissatisfied customers, the company began suits to recover the balances due on the contracts, these suits amounting in all to about 3,600. The company's acts and practices noted, the findings conclude, are "all to the prejudice of the public, divert trade from competitors who do not engage in false and misleading representations and greatly lessen the business of many of respondent's competitors in various localities." Discontinuance of these acts is required by the Commission's order.

DISMISSALS included cases against a hosiery manufacturer of Indianapolis, a "silk knitting" concern of New York City, a wholesale tobacco dealer of Boston, a furniture company in Philadelphia and a furniture dealer in New York, three meat-packing concerns in Chicago, and a manufacturer of silver-plated ware at Oneida, N. Y.

Making false and misleading representations in order to increase the sale of its products was the charge against the hosiery concern. After the trial of the case the Commission found that the record failed to sustain any charge of the complaint, except those allegations of false representations that the manufacturer produced its own silk in Japan; that it possessed a greater capacity to produce hosiery than it really had; and that the volume of hosiery it produced was greater than the amount it did actually produce. The manufacturer stipulated with the Commission that false representations were used for a time, but had been abandoned and would not be resumed. On these facts the Commission concluded that there was no longer any public interest in further action, and accordingly dismissed the complaint. Commissioner Thompson dissented.

Misleading the public by using the word "silk" in its corporate name, and using false and misleading statements in its advertising was alleged against the "silk knitting" concern. This concern, the Commission explains, manufactured textiles "not composed of silk in whole or in part." The complaint was dismissed for the reason that the concern has discontinued business.

The Boston tobacco dealer was charged with discriminating in price between different purchasers of tobacco products. The complaint was dismissed on recommendation of the Commission's chief counsel. Commissioner Thompson dissented.

By reason of the fact that the Philadelphia furniture firm has gone out of business, the Commission has dismissed its complaint of "misleading the public into the erroneous belief that it was buying directly from the manufacturer when purchasing respondent's goods," and the additional charge that the concern "misrepresented certain furniture as being mahogany or walnut, or genuine blue leather in

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advertising it for sale to the public." A similar reason is given for dismissing the complaint against the New York dealer, whose trade names were said to have deceived the public into believing him a manufacturer, and that the furniture was made in Grand Rapids, Mich.

One of the packing concern cases was dismissed, the Commission explains, because the company has gone out of business. Violation of Section 7 of the Clayton Act was charged, the Commission believing that the concern's practices tended to create a monopoly in the products it handled. One other case was dismissed on recommendation of the Commission's chief counsel, the complaint charging the packing company and a subsidiary company with suppressing and eliminating competition between themselves and a competitor company in the sale of livestock and packing house by-products through the acquisition of all of the capital stock of the competing company. Acquisition of the capital stock of two Wisconsin producers of butter and eggs caused the Commission to charge another Chicago packing company with restraining interstate commerce in the sale of butter and cheese, and this complaint was also dismissed.

Maintenance of standard prices in cooperation with jobbers, wholesalers and retailers was the complaint against the Oneida concern. This charge was dismissed, the Commission reports, because "the record in the case shows without contradiction that the practices complained of were abandoned about the first of June, 1922, and have not since been resumed." Discontinuance of the practices alleged was accomplished, the Commission says, after the decision of the Supreme Court of the United States in the Beech-Nut Packing Company case.

IN ORDER to provide a "more complete account of the operation of trade practice submittals," and a "more complete explanation of this form of procedure than has yet appeared," the Commission has issued a 64-page report of the opinions developed by representatives of specific industries and businesses after their determination of the fairness or unfairness of their trade practices. This report, edited by James W. Burdette, chief of publications, includes submittals affecting the following industries and practices: Gold-plated finger rings, paper, creamery industry, rebuilt typewriters, butter, pyroxylin plastics, package macaroni, guarantees against price decline, knit goods, oil, Sheffield silver hollow-plated ware, gold-mounted knives, gold-filled watch cases, standard sheet music, subscription book publishers, engraved-effects printing, anti-hog cholera serum virus, and mending-cotton manufacturers.

A KENTUCKY oil company's practice of making agreements with its dealers for maintaining resale prices in the marketing of oil stoves and heaters bought from a Cleveland company is ordered discontinued.

In its investigation of this case, the Commission found that the oil company enforced a merchandising system of maintaining uniform prices at which the stoves were to be resold by retail dealers, and in the application of this plan obtained the cooperation of the dealers handling the stoves, and that the company maintained a card index system which indicated that "price cutters" were not to be sold, and accordingly, dealers so marked were cut off the company's sales list. Some dealers who sold below the company's fixed prices, the Commission says, promised to abide by the scale and were then restored to the active selling list.

The findings state that the company forced some of its dealer customers to agree in writing to maintain the list prices on its stoves, and to report the names of any other dealers who were cutting the prices. This maintenance of prices, the Commission contends, prevents dealers from selling the stoves at prices that might be regarded by them as adequate and justified by their individual selling costs, and by trade conditions generally, "thus suppressing and hindering competition in respect to the sale of such stoves in interstate commerce."

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The Equitable Eastern Banking Corporation is a subsidiary of The Equitable Trust Company, with offices at 37 Wall Street, New York, Kiukiang Road, Shanghai, and Queens Road, Hong Kong. Its officers are officers of the Equitable Trust Company.

The Equitable Eastern Banking Corporation gives correspondent banks, manufacturers, importers and exporters the advantages of a bank devoted exclusively to Oriental business, which is thoroughly familiar with the markets and customs of the East.

Local Banks or business men, who contemplate financing imports or exports, issuing drafts on any part of the world, buying or selling gold, silver or bills of exchange or any other kind of international transaction, will find it to their advantage to communicate with the local representative of The Equitable.



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Honoring the Veteran Worker

SHORTLY before Christmas some five hundred men and women sat down to a banquet given in their honor. The galleries of the armory where the affair was held were crowded with several hundred interested spectators.

Fitchburg, Massachusetts, had decided to honor her veterans of industry, and the guests were employes and executives of thirty-seven of her leading industries who had completed twenty-five years or more of faithful service with the same organization.

It was not an ordinary public function. Back of it there was a lot of sentiment. The employers decided to show their appreciation and admiration for those who had worked loyally and long. Because of the number of veterans and the scope of the establishments represented, it was distinctly flavored with civic pride. Yet it was not a booster's meeting, either. There were no extravagant boasts about the present greatness of the city itself or its future aspirations, but rather a substantial show of appreciation for a past full of commercial and civic progress.

Sentiment Sincerely Shown

IT WAS, in another sense, the tangible expression of an ideal. If there was sentiment back of it, it was very sincerely expressed.

Some of Fitchburg's business men, manufacturers chiefly, had compared notes with officers of the local Chamber of Commerce. They found that they all had much the same idea about telling their veteran workers what they thought of them. Their ideas were rather vague as to detail, for they were the type of thoughts that busy men often have but seldom find time or means to express. The translation of these evanescent desires into action was left to the officers of the chamber.

The Mayor, a Congressman, several distinguished speakers, even the Governor of the State—all were on the program. They were not the headliners, however. For once these men whom the world had singled out for special honors were merely acting as satellites, shining in reflected glory, doing their humble best to honor, in their turns, the faithful workers of an American city.

For the first time, New England had gone on record as standing squarely for an appreciative show of sentiment in connection with industry when it seemed appropriate.

For Real Veterans Only

ANY EMPLOYE who had put in less than a quarter century of employment with the same establishment was considered entirely too boyish, or girlish, for this particular celebration. They plan to take them as they come and to honor those who achieve the same record in their turn.

Some records came to light that bear silent tribute to the perseverance of the holders.

Fifty women veterans sat in front of the speakers' stand. Ellen Hart proved to have the longest service record among them, and special appreciation of her achievement was voiced by Edward B. Walker, Secretary of the Chamber of Commerce. Miss Hart had been in the employ of the Beoli Mills of the American Woolen Company for fifty-one years. She was presented with a huge bouquet.

Iver Johnson's Arms & Cycle Works had present, among others, six men whose total years of service added up to three hundred and ten years.

Eighty-three men and women made up the roll of representatives for the Parkhill Manufacturing Company. Fifty-two of these had records ranging from thirty to fifty years.

Crocker, Burbank & Company, a firm founded just a century ago, had eighty employes on its roll of "faithfuls," and of these eighteen worked for the company for more than forty years. Three had passed the half-century mark of service.

Some Fine Records Revealed

SIMONDS Saw and Steel Company had seventy in its column of loyal workers. The Beoli Mills was represented by fifty-two, and Iver Johnson's numbered forty-seven. On this roll, all but seven had labored for more than thirty years.

Comments on this type of service can add no luster to the names of those honored. The conclusion is obvious that this New England city has made for itself an enviable reputation through its ability to offer the type of employment that would gain the devoted cooperation and support that have been given by these five-hundred-odd men and women.

Forty thousand people call Fitchburg "home." Elementary arithmetic easily proves that of this population, more than one per cent have been working for the same boss for more than a fourth of a century.

Of course, it speaks a plain truth about the sturdy, rugged character of these men who handle the tools. It is also a very forceful comment on the character and spirit of the employers who over such a span of years were treating those in their employ squarely, year in and year out, regardless of business booms or slumps.

Executives Also Honored

THESE executives were very much among those present. At the head of each company table one or more of them sat, to be honored for their service like the rest. Their records were impressive enough. Take the Dillons of the D. M. Dillon Steam Boiler Works, for instance. David M. led in years of service, with fifty-five. D. Frank was next with thirty-five, and Fred N. had thirty-three. There was Walter A. Hardy, of W. A. Hardy & Sons Company, with forty-two years. George P. Grant, Jr., had seen thirty-three years with his firm, the Grant Yarn Company.

H. E. Remington, of the company which bears his name, had forty years as his service mark. Alvah and Charles T. Crocker were the representatives of the Crocker, Burbank & Company Association, with forty-five and thirty-seven years respectively. J. Lovell John was one official of Iver Johnson present. His connection dates back twenty-eight years.

J. C. Brown, of the Brown Bag Filling Machine Company; M. E. Dejonge, of Louis Dejonge Company; Walter K. Wiley and Frank H. Foss, of Wiley & Foss; Ira C., and Alfred L. Greene of C. H. Greene Ice Company; Robert S., and Howard M. Parks, of Parks-Cramer Company; and Henry E. and Charles F. Cowdrey of C. H. Cowdrey—these were some of the officials whose entrance into business dates back at least to the beginning of the present century. Joseph A. Lowe, President of the

When writing to Anchor Post Iron Works *please mention Nation's Business*



A Sound Investment for the Business Man's Reserve

FEDERAL Land Bank Bonds deserve a place in your invested reserve, along with your U.S. Government Bonds and life insurance policies. They are one of the very few securities which you can safely stow away in your deposit box and forget until they are called for redemption. Interest is paid unfailingly twice yearly. When a loan is needed, these Bonds serve as prime collateral.

Federal Land Bank Bonds have all the advantages of a guaranteed investment, plus maximum diversification. They are issued against massed installment first mortgages assembled from several states, no mortgage exceeding $25,000 in amount. These Bonds are guaranteed jointly by the twelve Federal Land Banks, with combined capital exceeding $53,000,000, reinforced by the liability of stockholders for an equal sum.

FEDERAL LAND BANK BONDS

Safe—Standardized—Stabilized

The interests of the bondholders are fully protected through the participation of the U. S. Government in the management of the Federal Land Banks. The Government is directly represented on each Board of Directors, although assuming no financial obligation.

The record of these Banks through eight years of active operation demonstrates that the legal spread of 1% between the bond interest rate and the rate charged borrowers is ample to meet expenses, build adequate reserves and pay a fair return to the stockholders in the form of dividends. The present average net monthly earnings of the Federal Land Banks considerably exceed $700,000. Every Bank shows a surplus earned from its operations.

The management of the Banks is in the hands of men trained in banking procedure and thoroughly familiar with agricultural conditions in their respective regions.

Federal Land Bank Bonds are "instrumentalities of the Government of the United States" enjoying complete exemption from "Federal, State, Municipal and local taxation." This exemption extends to the income from the Bonds.

Federal Land Bank Bonds command a ready market at all times with as little fluctuation as Government Bonds. They are eligible for the investment of fiduciary and trust funds under Federal administration. They are also acceptable as security for all public deposits, including Postal Savings.

Add a block of Federal Land Bank Bonds to your invested reserve and be prepared for any emergency that may arise.

You can buy Federal Land Bank Bonds directly from any Federal Land Bank or from the Fiscal Agent in denominations of $10,000, $5,000, $1,000, $500, $100 and $40. Coupon or registered form, interchangeable.

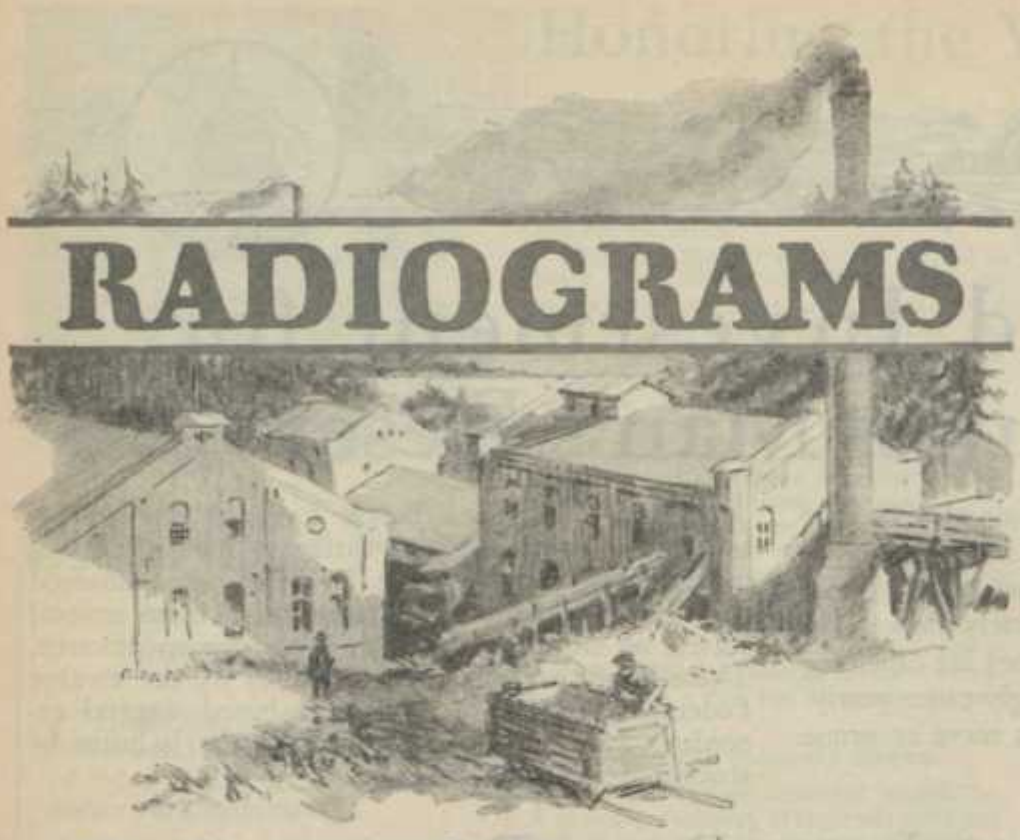
Federal Land Banks are located at

Springfield, Mass.	New Orleans, La.	Wichita, Kansas	St. Louis, Mo.	Berkeley, Calif.	Omaha, Nebr.
Louisville, Ky.	St. Paul, Minn.	Baltimore, Md.	Columbia, S. C.	Houston, Texas	Spokane, Wash.

Write today for Federal Farm Loan Board Circular No. 16, descriptive of these Bonds, addressing nearest Federal Land Bank or

CHAS. E. LOBDELL, *Fiscal Agent*, FEDERAL LAND BANKS, Washington, D. C.





RADIOGRAMS

Pulp and Paper— *from Sweden*

RADIOGRAMS *go direct to:*
SWEDEN
ITALY
ENGLAND
FRANCE
POLAND
GERMANY
NORWAY
ARGENTINA
HAWAII, JAPAN
and the DUTCH
EAST INDIES

Sweden, with abundant evergreen softwoods and a highly developed pulp and paper industry, exports well over $70,000,000 worth of paper and wood pulp each year. Much of this goes to make American magazines—American newspapers.

There is only *one direct* means of swift communication with Sweden: — Radiograms! To be sure of it mark your messages

"Via RCA"

In New York, Boston or Washington, phone for an RCA messenger for speedy Radiogram service.

In other cities file Radiograms to Europe and South America at any Postal Telegraph offices; to Japan, Hawaii and the Dutch East Indies at any Western Union office.

Send Today for Radiogram Rate Sheet

RADIO CORPORATION OF AMERICA

RCA OFFICES IN THE FOLLOWING CITIES

NEW YORK CITY

66 Broad Street.....Hanover 1811
19 Spruce Street.....Beekman 8220
126 Franklin Street.....Walker 4891
25 East 17th Street.....Stuyvesant 7050
1834 Broadway.....Columbus 4311
19 West 44th Street.....Murray Hill 4996
264 Fifth Avenue, Madison Square 6780

SAN FRANCISCO, 28 Geary Street, Garfield 4200
WASHINGTON, D. C., 1112 Connecticut Avenue, Main 7400
HONOLULU, T. H., 923 Fort Street

CHICAGO.....10 So. La Salle Street
BOSTON.....109 Congress Street
NEW ORLEANS.....New Orleans Bank Bldg.
BALTIMORE.....Gay & Pratt Streets
NORFOLK, VA.....220 Brewer Street
PHILADELPHIA.....The Bourse
CLEVELAND.....1599 St. Clair Ave.
SEATTLE.....512 Maritime Bldg.
GALVESTON.....2820 Avenue D
LOS ANGELES.....453 So. Spring Street

When writing to RADIO CORPORATION OF AMERICA *please mention Nation's Business*

Chamber of Commerce, presided, and the invocation was delivered by the Rev. Andrew Groop, minister of Fitchburg, with a pastorate extending backward over thirty years.

A dramatic touch was introduced with the calling of the roll by years. It started with five-year periods at twenty-five. Those with longer records remained on their feet. Starting at forty, the years were read out in order. As the number became larger, the group standing diminished in size. When fifty was read out, fifteen men and one woman were still up, and a cheer broke out from the fellow employes from the galleries. Over seven hundred friends who had jammed the building to witness the spectacle joined with the workers in vociferous applause. There was a slight lull as the count by years went on. When only two were left standing at the call of fifty-four, an impressive silence paid tribute to the achievements of those two faithful ones for a moment, and then the cheering was renewed with increased force.

Reward for Best Records

THE MEN with the longest records of all were Patrick Hughes and James McCafferty. Mr. McCafferty started in with Iver Johnson in March, 1871. Mr. Hughes began to work for the Fitchburg Paper Company in August of the same year. Governor Alvan T. Fuller presented each man with a silver loving cup.

Editorial comment from the *Fitchburg Sentinel* the following day was so enthusiastic that it sounded rather strange coming from a conservative New England section. "The biggest thing yet, this 'faithful service' dinner," and the editor went on to say:

"It was by every test the most impressive demonstration of the industrial solidity of the community that could have been devised. And it was put over against the most hostile weather conditions that could be conceived. But weather could not keep the veterans away from the armory and it was tonic for anyone to watch the men and women whose hair long ago turned white flock into the building and later still to stand up and be counted as the honor roll of Fitchburg's industries was called from the platform. We confess to getting a 'kick' from it and we are not wearing any medals won in showing enthusiasm over the ordinary public function, either. It was nothing of a one-way show. The bosses and the help were sitting side-by-side, sharing alike in the pride and pleasure of the occasion."

Facts Brought to Light

MANY facts were brought out at this New England banquet. The progressive strength of the city's industries, the square dealing of the bosses and the workers, the living conditions of the community, the pride in the past and hope for the future—these facts were all easily evident to a casually interested outsider.

Something else seemed to permeate the whole affair that in its way furnishes a lot of food for thought for the average American who wonders in a vague sort of a way what "significant movements" and "spiritual backgrounds" are all about anyhow. To the mildly analytical mind this truth must be apparent: there is far more sentiment in the coldest type of industrial leader than is readily visible to the naked and sometimes calculating eye of his keener critic.

And that sentiment is of the wholesome stuff of which American ideals are made.

—W. B. C.

Government Aids to Business

Reports of government tests, investigations and researches included in this department are available (for purchase or free distribution) only when a definite statement to that effect is made. When publications are obtainable, the title or serial number, the source, and the purchase price are included in the item.

The Economic Importance of Quicksilver

A COMPREHENSIVE STUDY of the metallurgy of quicksilver has been made by specialists of the Bureau of Mines, Department of Commerce, attached to the Pacific Experiment Station, Berkeley, California, and the results published in Bulletin 222, "The Metallurgy of Quicksilver."

The peculiar value of quicksilver is owing to the fact that in some of its applications no substitute is available, and in others the substitutes would be unsatisfactory or extremely expensive. Scarcely a branch of science or industry fails to make some use of mercury or its compounds, the bulletin says.

As a detonator for explosives, mercury fulminate holds first place and in safety and reliability could be replaced only by the highly expensive silver fulminate, the bulletin says. Through its use in detonators and in the metallurgy of the precious metals quicksilver is of especial importance to mining. In medicine, in the manufacture of electrical apparatus, the production of pigments and antifouling paints, and in the general field of experimental science, quicksilver is rated equally indispensable.

Copies of Bulletin 222, "The Metallurgy of Quicksilver," by L. H. Duschak and C. N. Schuette, are obtainable from the Superintendent of Documents, Government Printing Office, Washington, D. C., at 30 cents a copy.

Dolomite as a Base for Making Plastic Magnesia

METHODS OF MAKING SATISFACTORY PLASTIC MAGNESIA, used extensively in the manufacture of stucco and composition flooring, from magnesite deposits of the western states have been developed as a result of an investigation made by the Bureau of Mines, Department of Commerce. The investigation also revealed that plastic magnesia of fair quality could be produced from dolomite, a material cheaply obtainable in the eastern states, the Bureau says, where the market for plastic magnesia is largest. The experimental work of the Bureau was done in order to aid American producers to establish a domestic industry that could compete with the imported material.

The results of the investigation are presented in Bureau of Mines Bulletin 236, "Plastic Magnesia," by Oliver C. Ralston, Robert D. Pike, and Lionel H. Duschak, copies of which are obtainable from the Superintendent of Documents, Government Printing Office, Washington, D. C., at 30 cents each.

New Factors Now Apparent in Fertilizer Trade

CHANGES HAVE OCCURRED since 1914 with reference to nearly every one of the ordinary fertilizer ingredients, says a report of the Department of Commerce on "Fertilizers—Some New Factors in Domestic Fertilizer Production and Trade," issued as Trade Information Bulletin No. 372. Potash imports were cut off during the war and vigorous attempts were made to develop the industry in America, the report explains, in asserting that an apparently permanent domestic production has been established. Among the outstanding developments noted are that the ammonium sulphate production now exceeds the demand of the fertilizer industry; tankage, fish scrap, and cottonseed meal have largely been diverted from the fertilizer industry to more profitable markets; and that an air-nitrogen industry is becoming a factor

COMPLETE ELEVATOR INCLOSURES AND CABS

UNI-TRE FRAMES

DAHLSTROM PATENT DOOR — ARTISTIC EVERLASTING SANITARY & FIREPROOF

ADJUSTABLE PARTITIONS

METAL DOORS AND TRIM

CONDUO-BASE



Ohio Bell Telephone Company, Cleveland, Ohio

HUGE office building represents such a vast outlay of capital that it is not only prudent but imperative, in order to make it a profitable investment in years to come, to so build that it will not in a few years become obsolete, thereby losing the investment.

Sound judgment guards against this by installing the most modern and approved equipment.

Dahlstrom Metal Doors and Trim, with which the Ohio Bell Telephone Company building will be equipped throughout, are the accepted standard where long service is essential.

We shall be pleased to furnish you with complete information upon request.

DAHLSTROM METALLIC DOOR COMPANY

INCORPORATED 1900

JAMESTOWN, NEW YORK

CHICAGO 19 So. LaSalle Street

NEW YORK 25 Broadway

DETROIT 1331 Dime Bank Bldg.

DAHLSTROM

IRVING BANK-COLUMBIA TRUST COMPANY

New York

Statement of Condition, December 31, 1925

RESOURCES

Cash in Vault and with Federal Reserve Bank	$41,638,438.64
Exchanges for Clearing House and due from other Banks	88,106,754.64
Call Loans, Commercial Paper and Loans eligible for Re-discount with Federal Reserve Bank	89,842,196.35
United States Obligations	22,272,556.31
Short Term Securities	30,536,624.30
Loans due on demand and within 30 days	50,874,585.29
Loans due 30 to 90 days	51,351,073.38
Loans due 90 to 180 days	44,847,013.28
Loans due after 180 days	3,385,370.54
Customers' Liability for Acceptances (anticipated $1,209,805.85)	22,107,812.29
New York City Mortgages and Other Investments	8,509,443.17
Bank Buildings	700,172.75
	$454,172,040.94

LIABILITIES

Deposits	$356,026,068.97
Official Checks	40,711,302.40
Acceptances (including Acceptances to Create Dollar Exchange)	23,317,618.14
Discount Collected but not Earned	938,478.79
Reserve for Taxes, Interest, etc.	1,527,515.93
Dividend payable January 2, 1926	612,500.00
Capital Stock	17,500,000.00
Surplus and Undivided Profits	13,538,556.71
	$454,172,040.94

A saving—

THREE-YEAR subscription to NATION'S BUSINESS (thirty-six 35c monthly magazines in all) for $7.50. Use coupon below:

To the U. S. Chamber of Commerce
Washington, D. C.

Enter a three-year subscription to NATION'S BUSINESS for the undersigned. Send bill for $7.50.

NAME .....

ADDRESS .....

(No extra charge for foreign postage)



of increasing importance. The agricultural depression of 1920 and 1921 made difficult times for the phosphate industry, the report says, and the exploitation of the phosphate deposits in northern Africa is influencing American exports of phosphate to Europe.

The report is obtainable at 10 cents a copy from the Superintendent of Documents, Government Printing Office, Washington, D. C.

Uneven Threads Causes Streaks in Silk Hosiery

INVESTIGATION OF A PROBLEM of "streaky hosiery," made by the Bureau of Standards at the request of members of the National Association of Hosiery and Underwear Manufacturers disclosed the importance of using silk of uniform diameter.

The hosiery considered had two contrasting colors in a "pepper and salt" design, formed by using viscose rayon and Japanese silk. The specimen was rather "streaky," the Bureau explains. An examination showed that the rayon was uniform in diameter but the silk was uneven in diameter. The count of the filaments of the silk showed a range from 24 to 40 filaments, a variation in actual size of about 1½ threads. The greatest variation occurred at the "streaky" places. To correct this condition the Bureau recommends that manufacturers specify the number of filaments to the individual thread when making purchases.

Cotton and Jute Materials for Cement Sacks

TO DETERMINE the possibilities of reducing the cost of sacks for shipping cement, one type of cotton Osnaburg and several kinds of jute burlap sacks were studied at the Bureau of Standards under the fellowship established at the Bureau by the Portland Cement Association, the Bureau reports. Various physical tests were made, including tests for breaking strength, thread count, length, width, stretch, and the resistance to drop or rough handling. Other practical tests were made, including service tests, in which sacks were put in use; a hot-cement test in which samples were exposed to atmospheric conditions; and moisture tests in which sacks of cement were exposed to excessive dampness.

The data obtained from the tests disclosed, the Bureau reports, that a sack made of jute material showed the highest degree of serviceability. Its physical properties, as given by the Bureau, were: Threads per inch, warp 18, filling 18½; breaking strength (1 by 1 by 3 inch grab method), warp 153 pounds, filling 167 pounds; weight, per square yard, 11.8 ounces; per cent of stretch, warp 4 and filling 4. This sack withstood 8 drops from a height of 8 feet to a smooth cement floor.

Sanitary Ware Makers to Mark Crates of Culls

IMPORTANT CHANGES in the manufacture and grading rules of vitrified sanitary ware became effective in November as a consequence of a conference of manufacturers and distributers with government representatives at the Bureau of Standards. The grading rules eliminate grades "A" and "B," substituting the classifications "regular selection" and "culls." They also provide for accurate definitions, which will facilitate the grading, so that the quality can be determined readily.

As a protection to buyers, the meeting voted that each manufacturer shall mark each crate in which "cull" ware is to be shipped with two "splashes" of red. These marks are to be applied to the small ends of the crates, so that they will be readily visible and will indicate to the distributer and to the user the grade of ware.

Because the change of grading rules will involve a complete change of labels by all manufacturers, a subcommittee of manufacturers was appointed to consider a revision of labels. This subcommittee includes H. S. Maddock of

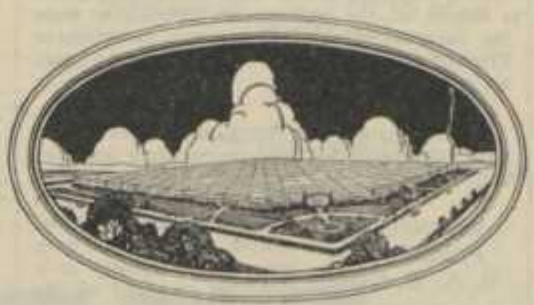
ATWATER KENT RADIO

Tomorrow, too

We are not in the radio business just for today—to seek fresh fields tomorrow.

We had been established as manufacturers for twenty-two years when broadcasting began. Before enlarging our facilities to produce Receiving Sets and Radio Speakers we assured ourselves that Radio was not a passing fad but could properly be classed among the necessities.

With this conviction reinforced by experience, we face the future with the serenity of a stable institution which is in the radio business to stay.



ATWATER KENT MANUFACTURING CO., 4812 Wissahickon Ave., Philadelphia, Pa.
A. Atwater Kent, President

When writing to ATWATER KENT MANUFACTURING CO. *please mention Nation's Business*

GF Allsteel
The Complete Line of Office Equipment

Allsteel Safes

YOU can insure many things—but the best insurance will never replace your business records.

GF *Allsteel* Safes, tested and approved by the Underwriters' Laboratories, have brought their contents, uninjured, through countless severe fires.

The *Allsteel* mark on office equipment is your guarantee of *permanent* satisfaction.

Write for a copy of the GF book: "Safeguarding the Vital Records of Business."

The General Fireproofing Co.
Youngstown, Ohio
Canadian Plant: Toronto, Ontario
Dealers Everywhere



Attach this coupon to your firm letterhead

The General Fireproofing Co., N.B.
Youngstown, Ohio

Please send me without obligation a copy of your book "Safeguarding the Vital Records of Business."

Name.....
Firm.....
Street No......
City..... *State*.....

Thomas Maddock's Sons Company, Trenton, N. J.; George E. Hofman, of the Trenton Potteries Company; and W. C. Chamberlin, of the Standard Sanitary Manufacturing Company, of Pittsburgh, Pa.

The conferees prepared to notify all distribution centers of the changes in grading and in grading rules, and to issue 100,000 copies of the new rules, which are to be available to the plumbing trade, architects, contractors, and others.

Live Steam Used For Cleaning Stone Buildings

A SUCCESSFUL EXPERIMENT in the use of live steam for cleaning stone buildings was made on the Baltimore Commercial Bank Building at Baltimore, Maryland, reports the Bureau of Standards. In this demonstration, the Bureau says, live steam at a pressure of 80 pounds per square inch was blown directly against the stone through nozzles made of galvanized pipe fitted to the end of half-inch steam hose lines.

The steam was effective in removing the twenty-year accumulation of dirt, and although the building was heavily carved and moulded, the cleaning was done rapidly with inexperienced labor, the engineer firing the boiler being the only skilled worker on the job. The cost was somewhat higher than a bid received for acid cleaning, a circumstance attributed to the experimental nature of the process.

The color of the cleaned stone was not so bright as that of new stone, the Bureau says, but it was considered entirely satisfactory because it "combined cleanliness with the appearance of age, which is usually thought desirable in stone buildings."

The experiment was a development of the research program undertaken by the Bureau and the Indiana Limestone Quarrymen's Association of Bedford, Indiana, and from the Baltimore test the Bureau concludes that "for the removal of dirt from old limestone buildings, the steam-cleaning process would, in most cases, be an economical and effective method to employ, with the added advantage that it does not damage the stone."

Facsimiles of Warehouse Forms Now Available

WAREHOUSE FORMS approved in September, 1924, at a conference of warehousemen, shippers, bankers and other persons interested in simplification of the forms are included in a bulletin issued by the Department of Commerce as Simplified Practice Recommendation No. 34.

In addition to facsimiles of the approved forms, the bulletin presents a list of the concerns that have accepted them for use in their business.

Copies of the bulletin are obtainable from the Superintendent of Documents, Government Printing Office, Washington, D. C., at 10 cents a copy.

Aircraft Code Published by S. A. E. Group

SPECIFICATIONS FOR AIRCRAFT CONSTRUCTION, with rules for flying field maintenance and aircraft operation, prepared under the sponsorship of the Bureau of Standards and the Society of Automotive Engineers, have been issued recently as a tentative standard of the American Engineering Standards Committee.

This compilation, issued in book form, is the work of thirty-three engineers and officials in the aircraft industry, engineering and insurance organizations, and the United States Government. It has ten parts, including airplane design, assembly and tests; airplane equipment, maintenance and operation; signals and signaling equipment; airdromes and airways; traffic and pilotage rules; qualifications for airmen; free and captive airships; and parachutes.

The book is obtainable from the American Society of Automotive Engineers, 29 West 39th Street, New York City, at $1.50 a copy.



See for Yourself

the lovely home community Indrio is growing to be

YOU who expect to visit Florida this winter . . . stop off for a day at INDRIO and see America's most beautiful home town in the making. See the uniformly broad streets and spacious homesites which have made it Florida's most talked-of community. Drink in the beauty of its natural surroundings; play golf, go surf bathing or fish for finny fighters. And enjoy rare Southern dishes at the INDRIO INN, now open under ex-Fred Harvey management.

INDRIO lies 60 miles north of Palm Beach on the Dixie Highway, the Florida East Coast Railway and the Indian River, a picturesque inlet of the Atlantic. Whether you go to Southern Florida by motor or rail, you will pass directly through the town. Plan now to include INDRIO in your Florida itinerary. See for yourself why it is attracting so many older residents of now overcrowded resorts. A day in INDRIO will be profitable as well as pleasurable.

Write for Color Brochure

Even though you do not intend to visit Florida this winter, write at once for illustrated color brochure describing INDRIO. Now, while desirable homesites may still be secured for as little as a few hundred dollars, is the time to investigate INDRIO as a place to spend your winters or the sunset years of life.

PHELPS-HENDRICKSON COMPANY
Exclusive Selling Agents for
EAST COAST DEVELOPMENT COMPANY
Box B-221 INDRIO, *Florida*

INDRIO
Florida





Shasta Transit Company
SACRAMENTO

November 7th, 1925.

The Fisk Tire Company, Inc.
1401 Kay Street
Sacramento, California.

Gentlemen.

Attention of Mr. W.E.Jenkins.

We are writing this letter to express our satisfaction of the service we have received from Fisk Transportation Cords during the past summer and fall.

We operate between Sacramento and Redding and each of our stages run approximately 350 miles a day. We consider this a severe test on tires, especially in summer, as the thermometer registers as high as 114 degrees in the shade and the stages are running about 13 hours at a stretch. We maintain a strict schedule and uninterrupted service is a vital factor in the service we render to the public.

In view of the splendid service we have received from your product we are sending you this letter of appreciation together with a picture of one of our new cars equipt with Fisk Fillerless Cords.

Yours very truly

GHB/w
Enc.

Shasta Transit Company
By Geo. H. Woods.

WE OPERATE STAGES BETWEEN SACRAMENTO AND REDDING AND REDDING AND LASSEN NATIONAL PARK



Time to Re-tire
Get a FISK

TRADE MARK REG.
U. S. PAT. OFF.

FISK TRANSPORTATION "Fillerless" CORDS

Do you trade in the national market place?

YOUR name on the mailing list of G. L. Miller & Co. will bring to you the pick of investment opportunities all over the United States.

* * *

You won't be annoyed or bothered. Sooner or later you will find investments that appeal to you. Every one safe and offering interest up to 7 per cent.

* * *

To answer this advertisement is a simple thing. Yet it may mean many dollars added to your yearly income. Do it now. Write for Booklet 22-MK.

G. L. MILLER & CO.

30 East 42nd St., New York

Offices and Representatives in Principal Cities

NO INVESTOR EVER LOST A DOLLAR IN MILLER FIRST MORTGAGE BONDS

Bureau of Canadian Information

The Canadian Pacific Railway through its Bureau of Canadian Information, will furnish you with the latest reliable information on every phase of industrial and agricultural development in Canada. In our Reference Library at Montreal is complete data on natural resources, climate, labor, transportation, business openings, etc. Additional data is constantly being added.

Development Branch

If you are interested in the mining wealth and industry of Canada or in the development or supply of industrial raw materials available from resources along the Canadian Pacific Railway, you are invited to consult this Branch. An expert staff is maintained to investigate information relative to these resources and to examine deposits in the field. Practical information is available as to special opportunities for development, use of by-products and markets, industrial crops, prospecting and mining.

"Ask the Canadian Pacific about Canada" is not a mere advertising slogan. It is an intimation of service—without charge or obligation—that the information is available and will be promptly forthcoming to those who desire it.

CANADIAN PACIFIC RAILWAY CO.
DEPARTMENT COLONIZATION AND DEVELOPMENT
J. S. DENNIS, Chief Commissioner — Windsor Station, Montreal, Can.

Chips from the Editor's Work Bench

A GOOD many companies are known by the dividend dates they keep. And for them to be on time all the time in every engagement with their stockholders is the essence of good business and good will. The investor who received a printed slip bearing the legend:

> The check enclosed covers payment of the 80th Consecutive Common Dividend on the Common Stock of The American Tobacco Company, Incorporated

could not fail to reach a new level of faith in his "tobacco trust."

"AMERICA Has Grip on German Movies," says a headline. Well, if Hollywood is to control the industry a lot of people won't be hard put to explain any fresh outbreak of "German atrocities." And yet, some observers would be perverse enough to wonder what caused all the wickedness before the movies.

NEW STANDARDS of practice adopted by the Outdoor Advertising Association of America go forward with Emerson's belief that the landscape belongs to the man who looks at it. For the Association's code now declares, among other things, that no structures are to be erected which would mar scenic beauty, or make traffic hazardous, and no "copy" is to offend the moral sense of the public—three items that give commendable recognition to the public interest in the Association's policy.

Pleasure at this graceful acknowledgment of the esthetic quality of American civilization is disturbed by a despatch from France which puts outdoor advertising on a somewhat lower level. A tombstone at Dijon tells the world, so the despatch says, that



> Here lies
> Pierre Mercier, Innkeeper,
> 1848–1903
> Inventor of the celebrated Mercier Omelet.
> His son
> in the same business on Dole street
> possesses the unique recipe of the famous Mercier omelet.

What slide rule could measure the advertising value of a cemetery concession? Mausoleums for 24-sheets, the old-time high headstone for 3-sheets, and the modest marker for "heralds" and "dodgers"? Of course, the mortuary style of "copy" would raise a question of fact in its letter, if not in its spirit—"Here lies" would be sure to bring the bloodhounds of the Better Business Bureaus, and then nothing short of *habeas corpus* proceedings would serve the cause of "Truth in Advertising."

INTEREST in supplying machinery for commercial arbitration is freshened with news of a strike of Chicago grave diggers. Those gentlemen of the mattock, some 200 in number, are members of a union. They have served notice on the managers of five cemeteries that the union must be recognized, and they put the minimum wage for an 8-hour day at $6. Managers of 53 other cemeteries "watched" the strike, so the report says.

With all the labor-saving inclinations of our times, no change is apparent in the technique of excavation for burial. The possibility that a mechanical device might be developed to do the work probably does not interest the strikers. For their minds are on an immediate desire for money, more money, and they do not embroider their demands with speculation about their future employment. Plain-spoken fellows, those grave diggers—men who make a business of calling a spade a spade.

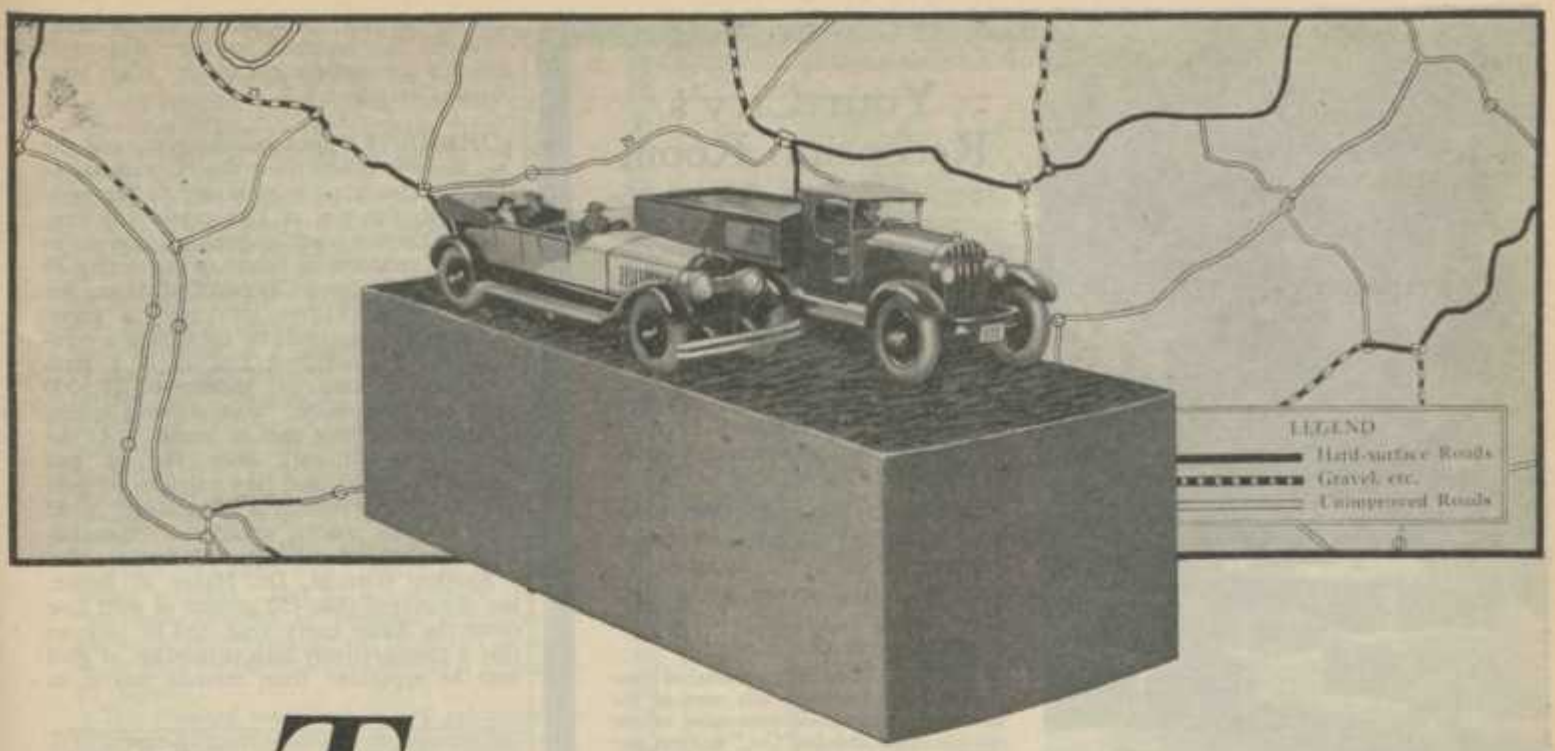
AN 18-YEAR-OLD girl of Blaine County, Oklahoma, Frances Smith by name, won the Moses Leadership Trophy offered by Horace A. Moses of Springfield, Massachusetts, and awarded during the meeting of boys' and girls' farm clubs held in connection with the International Livestock Exposition at Chicago. Oklahoma also took first place the year before when Fred Mercer of Lincoln County won the trophy. Their names and deeds stand for useful services to the civilization of their times. To read their records is to know that the old West, the "wild West" was only a romantic interlude in the nation's progress.

Consider the works of Miss Smith. She made 278 entries for competitive exhibits at county and community fairs, winning 132 first prizes. Through demonstrations she encouraged boys and girls to use progressive methods for raising poultry, preparation of food, sewing, and other farming and homemaking enterprises. The announcement of the award explains that "she has carried much responsibility in order that the people of her community and county might have the benefit of keeping in touch with the progress of agriculture," and that "she had a large share in the development of community spirit among the farm boys and girls of Blaine County."

Those items are the products of an industrious versatility—a remarkable ability to do many things and to get others to believe them worth doing. Other Smiths have come to fame with admiring followers, but there is a piquant dash of novelty in taking a prize for leadership from a Moses.

RETAIL stores have an average life of only 7.57 years, says J. H. Tregoe, manager of the National Association of Credit Men. Observers, he says, have found that dry goods, furniture, and clothing stores have the shortest lives. Researches show, Mr. Tregoe explains, that "those retail stores which have the longest lives have the smallest average profits . . . those stores which have the most rapid turnover in their stocks are not necessarily those which have the longest life. Hardware and shoe stores which have the longest lives of any retail stores have the lowest rate of turnover."

The small retailer will gain in merchandising ability, Mr. Tregoe believes, though he rates the chances for success now at one in ten—a way of saying that business mortality is much too high. A hopeful sign is that intelligent business men have begun to see that in order to prolong the span of business life, a thorough knowledge of the structure of business must be accumulated and made



The only reason that–

there are not more miles of improved roads at your service, is the brutally excessive annual cost of maintaining and repairing inferior pavements already laid.

Keeping old roads open is the leak through which your tax-dollars are pouring.

Those communities in which vitrified brick pavements were laid 20, 25, 30 and 35 years ago are the fortunate ones. Many of those streets and roads have not yet cost the tax-payers a dollar in repairs. In numbers of instances those veteran brick pavements have outlasted two and three successive nearby pavements built of other materials.

Don't let this upkeep and maintenance leak continue into the future. Advocate to your neighbors, friends and business associates *vitrified brick*—the pavement that outlasts the bonds.

For facts and figures to support your arguments, let us send you official data and information collected from public records.

NATIONAL PAVING BRICK MANUFACTURERS ASS'N
Engineers Building Cleveland, Ohio

Alton Brick Company
Alton, Ill.
Binghamton Brick Company
Binghamton, N. Y.
Buckeye Shale Brick Company
Cleveland, Ohio
Central Clay Products Co.
(Distributors MACK Paving Brick)
Wilkes-Barre, Pa.
Cleveland Brick & Clay Company
Cleveland, Ohio
Clydesdale Brick & Stone Co.
Pittsburgh, Pa.
Coffeyville Vitrified Brick & Tile Co.
Coffeyville, Kans.
Collinwood Shale Brick Company
Cleveland, Ohio
Curry Brick & Tile Company
Curry, Pa.
Francis Vitric Brick Company
Boynton, Okla.
Georgia Vitrified Brick & Clay Co.
Augusta, Ga.
Globe Brick Company
East Liverpool, Ohio
Hazlvania Coal Co.
Columbus, Ohio
Hocking Valley Brick Company
Columbus, Ohio
Independence Paving Brick Co.
Independence, Kans.
McAvoy Vitrified Brick Company
Philadelphia, Pa.
Metropolis Paving Brick Co.
Pittsburg, Kansas
Metropolitan Paving Brick Co.
Canton, Ohio
Mineral Wells Brick Co.
Mineral Wells, Texas
Moberly Paving Brick Company
Moberly, Mo.
Murphysboro Paving Brick Co.
Murphysboro, Ill.
Nelsonville Brick Co.
Nelsonville, Ohio
Peebles Paving Brick Company
Portsmouth, Ohio
Peoria Brick & Tile Company
Peoria, Ill.
Purington Paving Brick Company
Galesburg, Ill.
Southern Clay Mfg. Company
Chattanooga, Tenn.
Springfield Paving Brick Company
Springfield, Ill.
Sterling Brick Company
Olean, N. Y.
Streator Clay Mfg. Company
Streator, Ill.
Thornton Fire Brick Co.
Clarksburg, W. Va.
Thurber Brick Company
Ft. Worth, Texas
Toronto Fire Clay Company
Toronto, Ohio
Trinidad Brick & Tile Company
Trinidad, Colo.
Veedersburg Paver Company
Veedersburg, Ind.
Western Shale Products Company
Fort Scott, Kans.
Westport Paving Brick Company
Baltimore, Md.

Advocate

VITRIFIED

Brick

The Pavement that Outlasts the Bonds



Your City's Reception Room

The lobby of your hotel is the reception room of your city. It is here that your city's visitors receive their first and lasting impressions of your city's progressiveness.

It requires, however, the modern hotel to impart that impression of the solid responsibility of your city to the guest.

YOUR town can have such a hotel. It's merely a question of finance.

This organization is responsible for the financing of more than 100 modern hotels in all parts of the country. And so we say, if your town needs a modern hotel, this organization can finance it!

THE FINANCIALIST, a journal of community hotel financing, tells more of the plan. Ask us to place your name on our complimentary civic list "C-2," that you may receive a copy each month without obligating you in any way.

The HOCKENBURY SYSTEM Inc.,
Harrisburg - - Pennsylvania

"The Sunshine Belt to the Orient"



Orient
Round the World

Every Saturday a palatial President Liner departs from San Francisco for Hawaii, Japan, China, the Philippines, Malaya, Ceylon, India, Egypt, Italy, France, Boston, New York, Havana, Panama and Los Angeles.

Sailings on fortnightly schedules from Boston and New York via the Panama Canal to California.

Magnificent oil-burners, these liners are commodious and comfortable, providing a world-famous cuisine. Information from ticket or tourist agents or

604 Fifth Avenue, New York City
Robert Dollar Building, San Francisco

DOLLAR STEAMSHIP LINE

GROUP INSURANCE
What Are You Doing About It?

Over 9,000 employers of the United States are carrying Group Insurance on the lives of 3,000,000 employees.

This insurance covers whole groups of employees under a single contract without medical examination, in amounts varying from $500 to $10,000 per employee. Includes total permanent disability without extra charge.

GROUP INSURANCE for employees of factories, stores and business concerns of all kinds is rapidly increasing. It has proved of value to those who have adopted it, and others will take it up as soon as they learn of its usefulness.

Our book on "GROUP LIFE INSURANCE" will gladly be mailed you without obligation.

John Hancock
LIFE INSURANCE COMPANY
OF BOSTON, MASSACHUSETTS

A STRONG COMPANY Over Sixty Years in Business. Liberal as to Contract. Safe and Secure in Every Way.

usable—pointing, perhaps, to some sort of economic life extension institute that could make a convincing gospel of "Get your business examined."

CHEMISTRY goes marching on, and the marvels produced in the laboratories of this day give a color of reason to the mysterious mummeries of 17th century alchemists. In the last year Cambridge University in England awarded an honorary doctorship of science to Professor Nagaoka of Japan for converting quicksilver into gold, a transmutation accomplished by subjecting a combination of quicksilver and oil in a glass vessel to an electrical tension of 100,000 volts per centimetre, "thus utilizing sparks of more than three feet in length." At the end of the fifteenth hour, the oil had turned to carbon, and tiny particles of gold were found everywhere in the mixture. Gold made by this process would cost thousands of dollars an ounce.

Another scientist, Dr. Haber of Berlin, has discovered that 450 pounds of gold flow down the Rhine every year, and he believes that a comparatively high percentage of gold may be separated from mineral matter in



the water. His discovery bears out belief in the legend that gave Richard Wagner the theme of his "Rheingold."

But though chemists are finding new sources of gold, the greatest need of science today is dollars—money for the men who are giving their lives to the advancement of pure science. As Mr. Hoover told members of the American Society of Mechanical Engineers—

> The day is gone by when we can depend very much on consequential discovery or invention being made by the genius in the garret. A host of men, great equipment, long patient scientific experiment, to build up the structure of knowledge, not stone by stone, but grain by grain, is today the fundamental source of invention and discovery.

In pushing forward the frontiers of scientific knowledge the United States lags behind many European nations, so Mr. Hoover said, and by way of evidence he cited awards of the Nobel prizes to show the small proportion of first minds America supports. And there is that odorous comparison which says ten times as much money is spent for saving our skins as for saving our scientists. That charge is calculated to put us out of countenance, but a nation that takes its cosmetics so generously should not lack for means to give a new complexion to the cosmos.

CONSTRUCTION of surfaced roads during 1925 probably brought the total for the United States close to 500,000 miles, announces the eminent Department of Agriculture. At the end of 1924 the total was 467,905 miles—128,347 miles of state roads, and 339,558 miles of county roads. In addition to surfaced roads, 236,204 miles of graded and drained roads were available at the end of 1924, indicating that the aggregate

mileage of improved roads is about 736,000 miles.

The totals are impressive, but they must be cold comfort to politicians who have observed the might of the sidewalk vote, for it's just as important that a true friend of the people should praise the city virtue of getting up at 5 o'clock to peddle papers as it is to laud the country zeal of turning out at 5 o'clock to milk cows.

AN "IMPORTANT undertaking of modern American banking" is Francis H. Sisson's appraisal of a plan for the unification of banking, rail, and ocean transportation interests in a concerted effort to encourage saving for travel. Mr. Sisson, himself a vice president of the Guaranty Trust Company of New York, believes that "world transportation is at the basis of all modern progress, and it is necessary that the people of the United States become better acquainted with their own country as well as others overseas," and he is convinced that "the best interests of business, education, and social enlightenment will be served along broad lines by the extension of travel among all classes."

This pleasant conspiracy is well calculated to give a fillip of authority to interest in the effects of travel. Mr. Sisson points to a fascinating prospect. The war did much to educate Americans to the virtues of mobility, and they are no longer daunted with great distances. Equally plain is the fact that an exposure to travel does not always "take," and that the marks may not be visible to the naked eye—save now and then on a hard-run politician who has been slightly flattened at the polls.

IT MAY be that the Bible doesn't get into the headlines that halloo the fame of "best sellers" because there is no news in reporting a usual expression of popular interest.

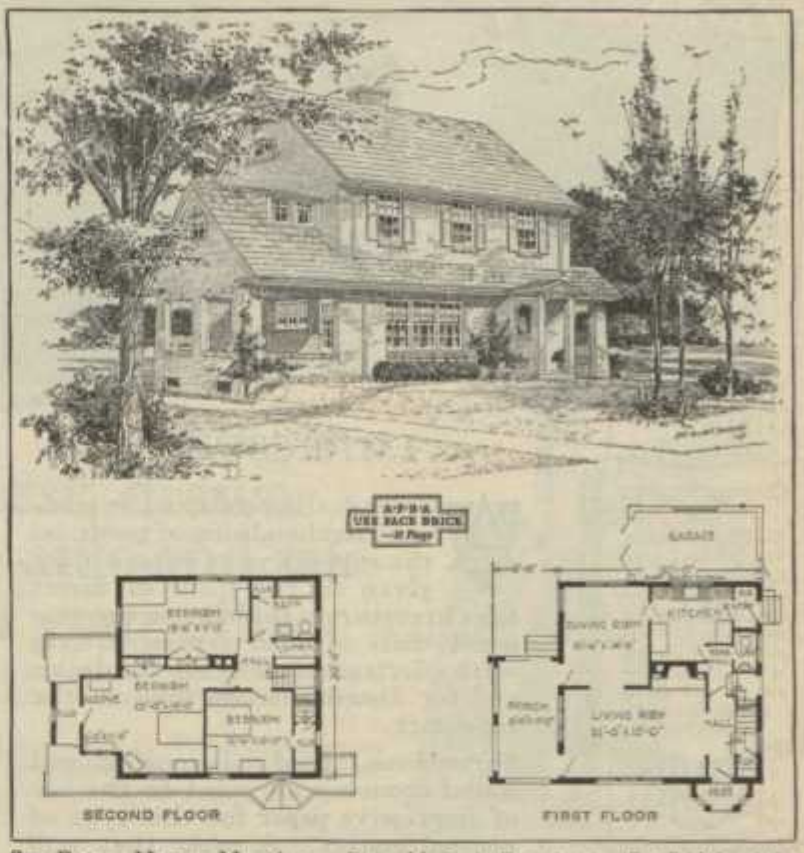
But even this age, which is no longer thrilled with superlatives of bigness, may find some arresting quality in the sales figures issued by the American Bible Society of New York.

The Society has placed orders for 7,000,000 copies of the Scriptures, and says the order will be increased in three months or so. The gospel of St. John has been most popular—900,000 copies were ordered in one month. That part of the Scriptures also leads in the number of translations.

These statistics of sales provide effective items for argument that it's not necessary to write down to the people in order to create and sustain an active demand for good literature.

SOLEMNLY the newspapers from time to time chronicle the passing of the old-time tramp printer. A brief obituary is prepared, a dirge is sounded, and the picturesque figure of long ago is only a memory in the "morgue" he helped to make. But this periodic report is greatly exaggerated, for the wandering printer, who once so blithely "rode the rods," of convenient freight cars, has been seen and recognized in his own automobile.

It is easy to dress the active wanderlust of the roving printer in glamorous trappings of romance, for his life had the color of adventurous travel. He was broadened with his wanderings, and he came to know at first hand of many places and many things, but "his mode of life tended to enlarge his imagination, and his travelogues sometimes extended to free-handed fiction." He was genial, likable, and seldom vicious,



SIX-ROOM HOUSE NO. 635 *Designed for Service Dept., American Face Brick Association*

This is one of the 120 houses, embracing a wide variety of architectural styles and interior arrangements, shown in our "Face Brick Bungalow and Small House Plans."

Beautiful, Enduring Homes

BEAUTY, permanence and real economy combine to make the Face Brick house a sound investment and a satisfying home. The variety of colors, textures and bonding give an almost limitless scope for artistic effects in the wall surfaces. A lifetime is just a fair start for a well-built brick house. Its many savings in repairs, painting and depreciation soon wipe out the slight additional cost and make it the most economical house to own. These and other advantages of the Face Brick house are fully discussed in "The Story of Brick." Sent free.

Send for these booklets:

"The Story of Brick" is an attractive booklet with beautiful illustrations of modern homes, and discusses such matters as Comparative Costs, Basic Requirements in Building, The Extravagance of Cheapness, and kindred subjects. Sent free.

"Face Brick Bungalow and Small House Plans" embrace 120 designs of Face Brick bungalows and small houses. These houses are unusual and distinctive in design, economical to build, and convenient in floor plan. Issued in four booklets, showing 3 to 4-room houses, 5-room houses, 6-room houses, and 7 to 8-room houses. The entire set for one dollar; any one of the books, 25 cents. We can supply complete working drawings at nominal prices.

"The Home of Beauty" contains 50 designs of two-story six-room Face Brick houses, representing a wide variety of architectural styles and interior arrangements, selected from 350 designs submitted in a nation-wide Architectural Competition. Sent for 50 cents. Complete working drawings for these houses at nominal cost.

"The Home Fires," a most attractive fireplace book, with many designs, gives full directions for fireplace construction. Sent for 25 cents.

Address, American Face Brick Association, 1730 Peoples Life Building, Chicago, Ill.



IMPRESSIVE

A great deal depends, in the modern merchandising of goods, on the support your salesmen are given in the form of direct sales literature. Intersperse the personal visits of your representatives with effective material for the dealer and for distribution by him to the consumer.

Shrewdness, good advertising and sound economy all point to the use of impressive paper for this type of printed matter. A paper that will confirm and emphasize the impressions of quality your text and art work are designed to convey. For this reason, specify a Cantine Coated Paper paper for your next job of printing.

Book of sample papers, name of nearest jobber and details of the monthly Cantine awards sent on request. Address: The Martin Cantine Company, Dept. 351, Saugerties, N. Y. Since 1888, manufacturers of fine coated papers exclusively.

Cantine's COATED PAPERS

CANFOLD ASHOKAN ESOPUS VELVETONE LITHO CIS

In the six green booklets—

The reports of each of the six committees of the National Distribution Conference, discussed elsewhere in this issue, are available to you at the exact cost of printing and postage.

Check off those you want

☐ COMMITTEE I—Collection of Business Figures as a Means Toward Accomplishing Economies in Distribution	$0.20
☐ COMMITTEE II—Trade relations	.35
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Total	$1.65

Price for Complete Set, including postage . . $1.50

Send order to Domestic Distribution Department, U. S. Chamber of Commerce, Washington.

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according to his recent commentators.

Of the traveling printer of today it is reported that he is rarely without money, and that he gets a line on business conditions before heading his "flivver" into new territory. He carries a union card by way of credentials, and in a union town he catches on as a "sub." And "more traveling cards are being issued today than at any time in the past," according to James M. Lynch, president of the International Typographical Union.

Continual traveling gives no great opportunity for the practice of thrift—as the mind is broadened so the purse is flattened—but if no moss of property be gathered there may be adequate compensation in gaining a high polish of the intellect, certainly the itinerant printer has had large circulation among town and country subscribers to his skill, and whether his jacket were old or new, he was always a "revised edition."

SAVINGS accumulated in 1925 by Christmas Clubs amounted to $314,154,000, or 25 per cent more than in 1924, according to H. F. Rawll, president of the Christmas Club, Inc., of New York. The 6,800 banks which cooperated with the Christmas Club in a fifty-week saving plan report a total of about 7,000,000 savers. Checks were sent



by the banks in amounts ranging from $12.50 to $1,000, though the average amount was $44.88.

Of the total accumulation, Mr. Rawll figured that $141,369,000 would be spent for gifts, about $87,963,000 would go to permanent savings accounts, about $37,698,000 for insurance premiums and interest on mortgages, and about $12,546,000 for fixed charges maturing during the holidays.

With every Christmas season an expensive reminder of the high cost of giving, the annual report of Christmas Club savings offers timely assurance that Herr Claus will not be asked to declare a moratorium. And why shouldn't the full Christmas stocking be as good campaign material as the full dinner pail?

ALTHOUGH movie makers have not always shown that a good film name is more desirable than great riches, the Department of Agriculture has taken care to contrive distinctive titles for its 225 educational film productions. Among the Department's films intended to interest women are: Out of the Shadows, Clean Herds and Hearts, The Honor of the Little Purple Stamp, Keeping Out Bad Food, Why Eat Cottage Cheese, From Wool to Cloth, Cranberries and Why They Are Sometimes Bitter, Garden Gold, Anne's Aigrette, The Modern Pied Piper, To Market! To Market! Food for Reflection, Cured by Canning, A Matter of Form, and The Happier Way.

For boys and girls are recommended: Sir Lacteus, the Good Milk Knight, Home Gardening, Seeing Washington, A Letter to Dad, Bill Jones—Champion, The 4-H Camp for Boys and Girls, A Crop Worth Saving, The

Short Course, Good Turns for Our Forests, Bob Farnum's Ton Litter, The Embryology of the Egg, the Department's game and bird conservation films, forest fire films and scenic pictures.

It may be that the ancient law of "women and children first" for those who go down to the sea in ships has been revised by the Department's titles to provide those who go down to see with quips.

But at least it is credible that the films have passed all the censors with none of the pastors incensed.

A GOOD deal of drivel has been written about the ecstatic singing of the old-time artisans—the joyful guildsmen who burst into song when at their benches. Evidence is not lacking that human nature in the Middle Ages was as cantankerous and crotchety as it is today. Not even the genius of a Cellini could burn without making unpleasant faces. But it is true that a man may come to his work with a high heart and an appreciative understanding of his place in the scheme of things.

Most of the church hymns are "other-worldly" rather than "this-worldly" in character. An imagery more realistic is needed for expressions of the aspirations of mankind.

In England a significant attempt has been made to give vocational meaning to religious interest. Representative of this attempt is "The Miner's Hymn," printed as one of the leaflets of the Industrial Christian Fellowship in England—

Now praised be the Lord our God,
Whose Love is burning flame,
Who rules the ages with His rod,
For wondrous is His name.

Who ere His children came to birth
Prepared this vasty deep,
And stored within the heart of earth
An age of suns to sleep.

The noontides of His million years
Around us glint and gleam,
The glory of the Lord appears,
Black seam upon black seam.

Without regard to the lyric or literary quality of the verses quoted, this development of a hymnody based on the interrelation of the physical and the spiritual worlds sounds a modern note in industrial relations.

ALONG with a magazine report that 20,200,000 motor vehicles were registered in the United States during 1925, comes announcement of the Census Bureau that 16,535,759 horses and 5,730,608 mules were on farms at the beginning of the year. Of the total number of cars registered, 17,658,491 were passenger cars.

Although automobile registrations, according to the report, made a gain of 2,132,158 during the year, second only to the record of 1923, when the registration increased 3,012,888 over the highest preceding year, horses did not hold up to the returns in the census of 1920, when 19,767,161 were counted—a decrease of 3,231,402 for the five-year period. Mules showed no sympathy with this reactionary movement, perversely hoisting their total by 298,000.

That the horse is out of step with the times the figures suggest, though no one probably would grudge the motor car its day if the increase of horse power only signified an increase of horse sense.

—R. C. W.



Is your desk drawer the attic and safe of your office

Are you still handling stamps in the same loose, wasteful way that prevailed 40 years ago?

You consider it wise to protect and account for your petty cash. What modern protection do you give stamps—cash in another form?

The New Superior

MULTIPOST

Stamp Affixer and Recorder

is the *modern* means of providing *stamp protection*. The Multipost keeps stamps in rolls, locked in *one* safe place. It prevents loss and spoilage—a waste that is *always* present when *loose* stamps are used.

Where there is no means of checking this waste, its amount is unknown. That it is *more* than ordinarily believed has been proved, by actual test and demonstration, time and time again.

In addition, the Multipost automatically counts each stamp used, makes stamp accounting possible, affixes stamps four times as fast as by hand and discourages stamp misuse. It stops unsanitary stamp licking. It provides the *modern, economical, clean, orderly* and *efficient* method of handling stamps.

Are *you* without it?

You can *prove* its advantages by *trying it without cost* or *obligation.*

Mail the coupon.

THE MULTIPOST CO., Rochester, N. Y.

THE MULTIPOST CO., Dept. B, Rochester, N. Y.
I have checked below what I would like to have you do for me.
☐ Send Multipost on free trial. ☐ Send Catalog.

Individual.....
(Kindly give name to assure correspondence reaching right party)

Firm Name.....

Street..... *City*..... *State*.....

When writing to THE MULTIPOST CO. *please mention Nation's Business*

"They Keep a-Running"



¼ horsepower Century Repulsion-start Induction Single-phase Motor

22 Years of Motor Progress

Every executive interested in the application of electric motors to his product should consider these important facts:

(1) For 22 years Century Electric Co. has manufactured Century Repulsion-start Induction Single-phase motors of the brush-lifting type, in sizes up to 40 horsepower.

(2) *More than 10 years ago, the first commercially practical household refrigerating machines were driven by Century motors. By far the largest per cent of the small refrigerating machines sold today are equipped with Century motors.* Century motors, while running, do not interfere with radio reception.

(3) The Century works cover more than 13½ acres of floor space. The founders of the company are still actively directing all phases of the business and more than 90% of the capital stock is owned by the 3,000 employees.

(4) Sales offices and stock points are located in 29 principal cities in the United States and in more than 50 other points outside thereof.

Century Electric Company
1806 Pine St. St. Louis, Mo.

For More Than 22 Years at St. Louis

Century MOTORS

1/8 to 40 H.P.

News of Organized Business

WHETHER or not there should be legislation by Congress to permit a manufacturer to enter into contracts with dealers by which the dealers undertake to sell the manufacturer's trade-marked product only at the price the manufacturer has made known as the regular price, and what restrictions there should be in any such legislation, are problems now before the membership of the Chamber of Commerce of the United States for a referendum vote. The questions which trade associations and commercial organizations will answer read as follows:

> Should there be federal legislation permitting the seller of identified merchandise sold under competitive conditions under a distinguishing name, trade-mark, or brand to control the resale price thereof?
>
> If there is to be such legislation, should the legislation take the form of permitting contracts for the maintenance of resale prices on identified merchandise sold under competitive conditions under a distinguishing name, trade-mark, or brand?
>
> If there is to be such legislation, would the restrictions in the report of October 5, 1925, be proper restrictions?
>
> In addition to such legislation, should Congress enact legislation bringing under the law of unfair competition the cutting of the seller's declared price which results in misappropriating or injuring good-will attaching to articles identified as to their origin?
>
> Instead of such legislation, should Congress enact legislation bringing under the law of unfair competition the cutting of the seller's declared price which results in misappropriating or injuring good-will attaching to articles identified as to their origin?

In the pamphlet used for the referendum there are set out considerations on both sides of each question. The first part of the pamphlet deals with restrictions upon any legislation and contains the majority and minority reports of a committee which placed its views before the Chamber's Board of Directors on October 5, 1925. The majority report takes the position that Congress should allow a manufacturer to enter into contracts about the price at which dealers will sell his goods and declares that the legislation should contain restrictions as follows:

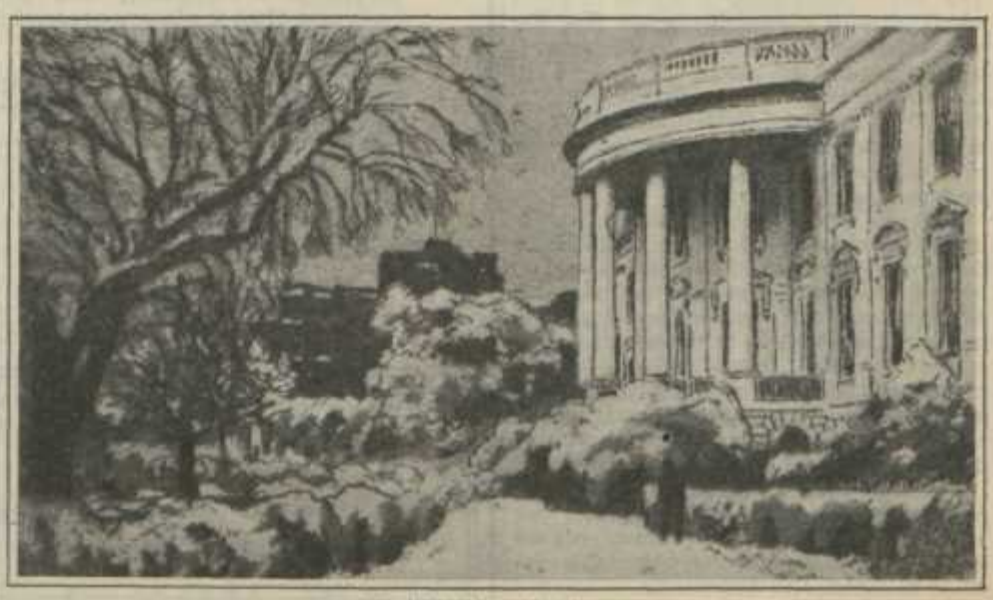
> Merchandise, within the terms of the legislation, sold subject to contract for maintenance of price, upon resale, should be freed from the restriction as to price upon resale: (1) If the purchaser shall actually discontinue dealing in such merchandise; (2) if the purchaser shall discontinue business; (3) if the purchaser shall become insolvent and some officer of a court shall have been designated to liquidate his business, or (4) if there should be attachment or levy of any kind upon the merchandise by virtue of a court proceeding. The foregoing should be subject, however, to the further provisions that in each such case the merchandise shall have first been offered to the seller at the price originally paid for the merchandise and that the seller, having been allowed reasonable time and opportunity to inform himself as to the conditions of such merchandise, shall have declined or failed to accept the offer.

and that

> In case of merchandise which has become damaged or is deteriorated additional provisions are required. It seems that the purchaser should be permitted to sell at such price as he wishes if he shall first offer the merchandise to the seller at the price which he paid for the same or for exchange for like merchandise which is in good condition, but that also in such cases the purchaser should be required to give the seller reasonable opportunity to inspect the merchandise and that the seller shall have declined or failed to accept the offer. It also seems . . . that the purchaser should be permitted to sell such damaged goods free from restriction only in conjunction with definite notice that the merchandise is damaged or deteriorated and that such is the reason for its being offered at the reduced price.

The minority report takes the opposite point of view. It takes the position that there is a natural presumption against legislation which would interfere with price freedom on the part of dealers. This price freedom is necessary, according to the minority report, in order that each dealer may act in the manner required by his own situation. The restrictions suggested by the minority report, it is contended, would not permit a dealer to act in accordance with his situation and needs. On this point the minority report says:

> No provision is made under the restrictions proposed by my colleagues for the distributor who finds himself in need of speeding up turnover through reducing price, in order to get ready capital for his investments for merchandise on demand. Nor is any provision made to cover the normal, legitimate asking of a lower price than a competitor



The White House in winter



Buried under 130 tons of debris for 27 days, but Safe-Cabinet saved the records

The picture on the left shows the Safe-Cabinet belonging to I. Robbins & Sons, Pittsburgh, being dug up from the ruins of the building after their disastrous fire. The picture on the right shows the Safe-Cabinet after it was opened. The records were found to be perfectly legible and ready for instant use. One of the members of the firm Robbins stated that "after the 27 days of suspense, our elation is hard to express!"

On the day of *your* fire you will want this kind of protection for your records

YOU cannot tell how soon fire will strike your business.

During the first eight months of 1925 there were 2897 fires in the United States with fire losses over $10,000 each. The average loss was $72,000. Every day over ten fires of this size and, in addition, a thousand smaller fires equally disastrous to the businesses affected! While you read this advertisement ten fires are raging!

These are facts that cannot be lightly turned aside by any business man.

On the day after *your* fire there's no reason why you shouldn't be in the position of I. Robbins & Sons, who said: "Thanks to SAFE-CABINET protection, we are now able to proceed with the collection of our accounts and of our insurance which was held up *awaiting the recovery of our records.* During the weeks when we were searching in the ruins for our SAFE-CABINET, collections fell off alarmingly."

If your records are destroyed, your business is handicapped when you try to collect your insurance and accounts receivable, because it is impossible to *prove* amounts due.

SAFE - CABINET PRODUCTS afford permanent certified protection for the correspondence, papers, books and records kept in them. The laboratory tests to which they are subjected are the most severe in the industry.

Don't take chances. Don't delay.

Mail the coupon below for information applied to *your* business.

The Safe-Cabinet Company
Marietta, Ohio

The Safe-Cabinet Company of Canada, Ltd., Toronto

Statistics prove that after serious fires 43% of the business houses are not able to resume business, largely the result of destroyed records; 17% of those who furnished financial statements before the fire, no longer do so; 14% suffer a reduction in their credit rating of from 30 to 66%. Where would your business stand without records?



After the Fire

SAFE-CABINET

Record Protection

The world's largest manufacturers of record protection devices

THE SAFE-CABINET COMPANY
Marietta, Ohio
Gentlemen: I want to see a copy of your booklet, "Burned Records."
Name
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Safe-Cabinets *Safe-Files* *Drawer-Safes* *Vault-Doors* *S-C Vault Equipment*

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Your City Directory — the Community Catalog

Keeps Pace With Progress and Parallels the Demands of Business

"When Broadway was a pasture," the City Directory was an accurate reflection of the city of that day. Today it mirrors the "Great White Way," and the metropolis, in just as complete detail. What is true of New York City is also true of your city.

Through the medium of the City Directory your city, any city, is an open book. The vital industrial, civic and individual information is therein available at a glance.

The general make-up of a City Directory is indicative of the spirit of the community it represents. Leading businesses and citizens are definitely emphasized therein.

The City Directory is the only publication that lists every individual and endeavor in the community. It is the detailed catalog of civic, social and business development.

Is your business properly indexed so that those who consult the City Directory for sources of supply can find the information they desire about you or your products? Look for yourself.

The Executive who knows how to use his City Directory realizes that it provides a definite opportunity to insure and increase his business. Our booklet, "Directories, What They Are and How They Function," will tell you how. Send for a free copy.

This trade mark appears in Directories of leading publishers.

ASSOCIATION *of*
NORTH AMERICAN DIRECTORY PUBLISHERS
Headquarters
524 Broadway, New York City

Culture, noodles and hair tonic!

CHEWING GUM, culture, crickets, crime, eggs, fish, hair tonic, lace, noodles—how did we come to talk of all these things?

Yet we did, for there they all are, with hundreds of other subjects, in the Index of NATION'S BUSINESS for the year 1925. And all of them had a business idea.

Readers use this Index as a reference source for material for business speeches and interviews and luncheon discussions; for material for selling talks and sales letters; for economic information in brief form to pass on in bulletins to employees.

A copy of the Index for 1925 is free to you. If you want a copy of the 1924 Index, you may have that, too. Address NATION'S BUSINESS, Washington.

1925 INDEX of NATION'S BUSINESS FREE TO YOU ON REQUEST

which the more efficient or fortunately placed distributor has always exercised.

With "predatory" price-cutting by a dealer the minority report has as little sympathy as the majority, but finds difficulties in arriving at an adequate definition. Price-cutting the minority report defines as predatory "when a retailer takes advantage of the public's knowledge of the resale price, which the manufacturer of a branded article is attempting to establish, by cutting this resale price, provided that the retailer attempts to recover any loss of normal profit on the branded article whose suggested resale price he has cut by charging a price to yield a greater than normal profit on other articles of merchandise, provided further that he leads the public to believe, by his advertising or otherwise, that the cut price which he is offering on the branded article is paralleled by lower than normal market prices on other articles on which he is actually receiving a higher than normal profit."

The remainder of the pamphlet is devoted to material bearing upon the question which underlies both the majority and minority reports, i.e., the question whether or not there should now be any legislation by Congress for the purpose of giving the manufacturer or other person responsible for an article which is so marked as to show it has come from him the right to control the price at which the article will be sold at wholesale or retail. In addition to material upon both sides of the fixed-price question, the pamphlet contains descriptions of all of the court cases of recent years in which the problem of resale prices has been involved.

Boston Stores Provide Free Parking

CUSTOMERS of the ninety retail stores included in the membership of the Retail Trade Board of the Boston chamber are to have free garage parking for their cars from 9 a. m. to 11 a. m., says an announcement by Daniel Bloomfield, manager of the Boston Retail Trade Board.

For each additional hour, the charge is fixed



at 10 cents with a maximum of 35 cents a day. To obtain the garage privilege for any day, customers will be required to show sales slips or other records of purchases made on the same day. The plan also provides for the issuance of books containing twenty-five coupons, each good for one full day's storage at a special reduced rate of 30 cents a day.

When reporting the plan to its readers, the *Boston Evening Transcript* said:

> The directors of the Retail Trade Board feel that these garage arrangements will make it more convenient for shoppers to transact their business in Boston, especially during the morning hours. The plan will help also in some measure to relieve traffic congestion. It is only one step towards relief of traffic problems, however, for with the number of automobiles increasing at a rapid rate, it is the belief of Boston merchants, as well as other business and civic interests, that the proposed "Loop Highway" for Boston transcends in importance any other effort to reduce congestion in the city.

Canton to Restrict Smoke

A SMOKE abatement ordinance for the business district of Canton, Ohio, has been passed by the city council in accordance with the measure drafted and recommended by the chamber. Smoke density will be judged by means of a chart prepared by the United States Bureau of Mines. The ordinance provides that no dense smoke shall issue from a smokestack, open fire, tar kettle, steam shovel or any fuel

burning machine for more than six minutes in one hour. Dwelling houses for less than four families, and fire department apparatus are the only exceptions to the general provision noted.

A commission of five members and a chief smoke inspector, with deputies if necessary, are to administer the ordinance. The chief inspector is to report all violations to the commission, which will then authorize the warning of the violators. If abatement is not accomplished within twenty-hour fours, prosecution is to begin. The ordinance provides for a fine of not less than $10, nor more than $100. The ordinance also provides that all new heating plants and furnaces for buildings affected by the ordinance must be inspected by the smoke abatement inspector and approved before they are operated.

A Slogan a Day Keeps Dullness Away

INSPIRATIONAL slogans displayed on a bulletin board in the offices of the chamber at Michigan City, Indiana, were printed by newspapers and used in the public schools. During the period of the daily displays, a new slogan was prepared for each day. The cham-



ber reports that the slogans, when given to the public through the press and the schools, were effective in keeping alive interest in the work of the chamber.

Canners Adopt Code of Ethics

THE National Canners Association has announced the adoption of a code of ethics to govern its members in the conduct of their business and their relations with the public.

In order to "assure the consuming public the best canned food that scientific knowledge and human skill can produce, and to establish relations with allied industries and trades on a basis of justice and fairness," the Association makes the following statement of principles:

To use in the preparation of our products only suitable materials which are sound and wholesome.

To employ sanitary and hygienic methods and equipment in the operation of our plants, to comply with the sanitary code of the Association and all food laws and regulations.

To maintain the highest standards of quality.

To truthfully describe and represent our products.

To fulfill both the spirit and letter of all contracts.

To recognize always a paramount obligation to safeguard the interests of the consuming public.

Complimentary Advertising Defined

ADVERTISING in special publications, souvenir programs and similar mediums is defined by the Cleveland chamber as "complimentary" advertising. In this connection the chamber asserts that the cause of advertising in regular publications is injured by special publications, because every time a man is sold space that does not bring results he is less inclined toward established advertising mediums. The so-called good-will value of special publications, the chamber thinks, is always overemphasized and rarely exists at all.

Training for Recreation Leaders

A SCHOOL to train recreation leaders will be established by the Playground and Recreation Association of America, says Joseph Lee, president of the Association, which has its offices at 315 Fourth Avenue, New York City. The school will give graduate courses of one year's duration primarily for the training of the 10,000 workers and the 4,000 volunteers now



An Underwriters' Safe Is Your Only *Real* Protection!

A destructive fire in a "fire proof" building! Vital business records reduced to ashes! A thriving business wiped out in a few minutes time! It has happened. And it will continue to happen until business firms recognize the absolute necessity of protecting vital records behind the fire resisting steel walls of Van Dorn Underwriters' Tested Safes or equal.

Examine your fire insurance policy. Note that it does "not cover accounts, bills, currency, deeds, etc." Note also that in case of loss by fire you are required to make "a complete inventory of the damaged and undamaged property" stating the quantity and cost of each article. How can you do this if your only source of information is destroyed by fire?

No, a "fireproof" building and a fire insurance policy are not enough. For REAL protection your vital records must be contained in a Van Dorn Underwriters' Tested Safe!

And remember this fact. There's no mystery about the purchase of Van Dorn Safes. They have exceeded by a wide margin impartial tests in the Underwriters' Laboratories. These tests are your assurance that Van Dorn Safes will protect your records regardless of the severity of any fire that occurs.

To further assure you that no better safes are obtainable, we will furnish Test Charts compiled by the Underwriters' Laboratories. Compare these Tests with those of other makes. Then judge for yourself whether Van Dorn Underwriters' Safes are worthy guardians of your business records! Send for Catalog or better yet permit us to send our representative. Which do you prefer?

THE VAN DORN IRON WORKS CO., Cleveland, Ohio
Branches: New York Chicago Pittsburgh Washington Cleveland
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MASTERCRAFTSMANSHIP IN STEEL
Underwriters' Label Safes

When writing to The Van Dorn Iron Works Co. *please mention Nation's Business*

What Kind of an Audit?

Audits vary in quality and scope. The *Quality* depends upon the experience, ability and application of the auditor; the *Scope* is a matter of your instruction.

Of course, *Every Audit should be a Detailed Audit*—which is an expert and independent study in *detail* of the items represented in mass by balance sheet figures. It discloses the many important facts underlying the figures; verifies; clarifies. It brings to light avoidable leaks and waste; finds the flaws in accounting, in credit and collection methods; points to possibilities for greater profits, and is free from qualified statements of balance sheet audit.

The Balance Sheet Audit, in spite of obvious limitations, when properly made is more than a mere building up of statements from book figures without careful analysis and substantiation.

The Balance Sheet Audit can be ordered with a specification calling for a partial Detailed Audit covering a period sufficiently long to give at least a cross section of the business and a picture of actual conditions.

ERNST & ERNST

AUDITS — SYSTEMS
TAX SERVICE

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BUFFALO	CINCINNATI	GRAND RAPIDS	ST. PAUL	JACKSON
ROCHESTER	TOLEDO	KALAMAZOO	DAVENPORT	MIAMI
BOSTON	COLUMBUS	PITTSBURGH	ST. LOUIS	TAMPA
PROVIDENCE	YOUNGSTOWN	WHEELING	KANSAS CITY	DALLAS
PHILADELPHIA	AKRON	ERIE	OMAHA	HOUSTON
BALTIMORE	CANTON	CHICAGO	DENVER	FORT WORTH
WASHINGTON	DAYTON	MILWAUKEE	SAN FRANCISCO	SAN ANTONIO
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	MEMPHIS		ATLANTA	

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CORNELL & COMPANY

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Washington, D. C.	Salt Lake City	Sedalia	Omaha	Dallas
Philadelphia	Los Angeles	Chicago	Denver	Houston
Cleveland	San Francisco	St. Louis	Topeka	Hutchinson
Detroit	Portland	Kansas City	Marietta	Parkersburg
				Louisville

in public recreation work in the United States and in Canada, but it will also be open to persons for the first time seeking training as recreation directors.

Subjects of the course will include the organization and administration of children's playgrounds, community centers, athletic fields, stadiums, community music, community drama, nature study, handicraft, home play, church recreation, and the relation of recreation to health, safety, delinquency prevention, and character building.

Battle Creek Believes in Play

TO PROMOTE play and recreation for the citizens, the chamber at Battle Creek, Michigan, has formed the Battle Creek Civic



and Recreational Association, which is a subsidiary of the chamber. A director of athletics was put in charge of the association's activities, and because of his efforts, forty-four amateur, uniformed baseball teams played regular scheduled games under the supervision of paid umpires.

Public Speaking for Business Men

A COURSE in public speaking for business men has been organized by the Brooklyn chamber. The class meets every Friday night during the term of sixteen weeks, and receives instructions from members of a staff employed by the chamber in the belief that "the course would prove beneficial to business men by enabling them to become more articulate concerning their likes and dislikes."

Nine Months of Foreign Trade

THE FOREIGN trade of the United States for the nine months from January through September, 1925, is analyzed by the Foreign Commerce Department of the National Chamber in a statistical report on "Our World Trade." This report includes a comparison of exports and imports for the corresponding periods of 1924 and 1925. Values and quantities of exports and imports are shown in the order of magnitude, together with a list of countries making shipments of the commodities and those receiving them. Copies of the report are obtainable from the Foreign Commerce Department, Chamber of Commerce of the United States, Washington, D. C.

Lebanon Gets Hosiery Plant

A FACTORY for the manufacture of hosiery has been located at Lebanon, Pennsylvania, through the enterprise of the Lebanon chamber's industrial committee. Half the purchase price of the ground required was paid by the chamber.

$26,800 for Advertising Spartanburg

A FOUR-DAY campaign made by the chamber at Spartanburg, South Carolina, for an advertising fund and new members brought a total of $51,160 into the chamber's treasury, exceeding by $1,160 the figure set by the chamber. Of the total amount, $26,800 will be spent during 1926 to advertise the resources of the city. According to Walter G. Jackson, president of the chamber:

> This is just the beginning and the time is not far off when the advertising fund will be just double the amount subscribed for the first year's program. We have a great deal to tell the world about our city, and this will be accomplished through a thorough and sane program of advertising.

The 964 new members added during the cam-

paign increased the chamber's total membership to 1,794.

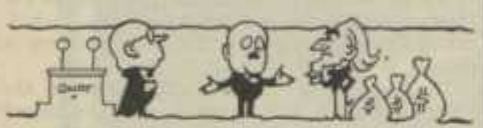
Higher Pay for Judges Sought

AN APPEAL for early enactment by Congress of a law to increase the salaries of federal judges has been made by the Chamber of the United States through a letter from Elliot H. Goodwin, resident vice-president, to the members of the Senate and House Committees on the Judiciary.

This letter asked their support for action "that will lead to legislation at the earliest possible day to give to our federal judges the least consideration to which they are entitled—namely, that compensation which the importance of their service justifies."

The letter reminded the committee that the last Congress failed to adopt a bill favorably reported by the committee which made generous provision for federal judges. "Since then," the letter says, "Congress has increased the salaries of its own members—a fact which should lead to more favorable consideration for such a bill in the present session of Congress." And further, that

> It is an admirable commentary upon the prestige of our federal courts that jurists of high character have been willing to serve faithfully for compensation much below their worth as members of their profession. Nevertheless, the inadequate salaries provided



> have led many eminent judges to decline appointments or to relinquish their office.
>
> No factor in the preservation of the integrity of our government is more important than the judiciary.
>
> The prestige and effectiveness of the courts are determined by the character of the men who serve. It seems a dangerous and shortsighted policy to jeopardize our judicial structure by the adherence to salary standards that are so inadequate.

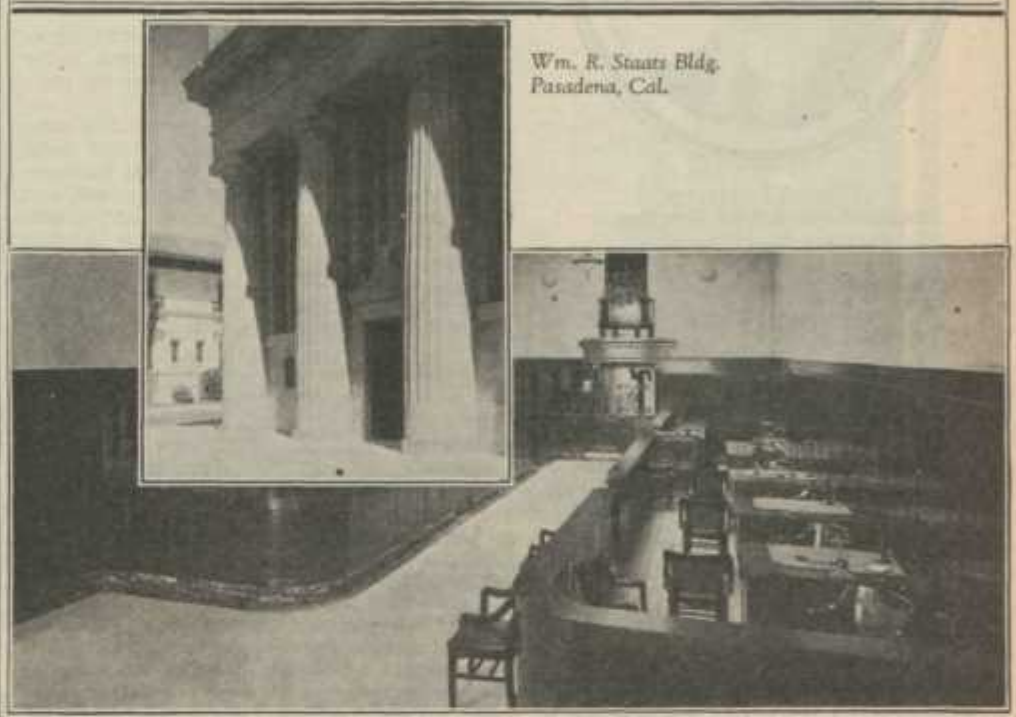
The attitude of the organized business interests of the country toward this important question, Mr. Goodwin wrote, is expressed in a resolution passed at the last annual meeting of the National Chamber.

Coming Business Conventions

Date	*City*	*Organization*
February		
1	New York	American Steamship Owners Association.
2-3	Philadelphia	International Association of Master House Painters and Decorators of U. S. A. and Canada.
3	New York	Textile Color Card Association of the United States.
4	Boston	New England Street Railway Club.
8-12	New York	National Retail Dry Goods Association.
8-13	Atlanta	American Ceramic Society.
9-11	Boston	New England Retail Clothiers and Furnishers Association.
9-11	New York	Sand Lime Brick Association.
9	Los Angeles	Tile and Mantel Contractors Association of America.
11	Wheeling	National Cigar Box Manufacturers Association.
11	Chicago	Salt Producers Association.
15-19	Philadelphia	Pennsylvania and Atlantic Seaboard Hardware Association.
16		Corset and Brassiere Manufacturers Association of the United States.
23-24	Chicago	American Concrete Pipe Association.
23-25	New York	American Paper and Pulp Association.
23-26	New Orleans	Common Brick Manufacturers Association of America.
23-24	Boston	New England Hardware Dealers Association.
23-25	Oklahoma City	National Association of Builders Exchanges.
23-26	Chicago	American Concrete Institute.

Other organizations have scheduled conventions for February, but the dates were not available at the time this list was prepared.

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Two very good reasons...

NO OTHER cabinet wood combines in such a satisfying way the two essentials of fine woodwork in commercial design—BEAUTY *and* WEAR.

The very simplicity of the beautiful design by Marston, Vaa Pelt and Maybury—illustrated above—makes practically imperative, the choice of walnut. For fine walnut never appears to greater advantage than in treatments of broad, simple, plain areas of panelling and woodwork where the architect relies almost entirely upon the intriguing colorings and grainings of the wood itself for decoration. No elaborate mouldings and carvings are called for.

For buildings of a beautiful as well as a utilitarian character—for fine offices, bank lobbies, directors' rooms, quality partitionings—nothing quite compares with the dignity, charm, restfulness and long-wearing qualities of fine American Walnut. Age and use only serve to enhance, enrichen, and mellow this unique American wood.



Fine panel of American Walnut

"THIS IS THE WALNUT AGE"

AMERICAN WALNUT

Furniture lovers—send for "The Story of American Walnut." Architects, builders, those interested in the home—send for "American Walnut for Interior Woodwork and Panelling."

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Martin L. Davey
President of The Davey Tree Expert Company, Inc., Kent, Ohio

A personal message to the tree owners of America

In 1925 nearly 600 Davey Tree Surgeons gave expert care to the trees of 13,000 clients, from Boston to Kansas City, and from Canada to the Gulf. A large per cent of these clients last year, and in the preceding years, have sent voluntary letters of commendation, in every case speaking in high praise of the men who had served them.

Davey Tree Surgeons are certainly unusual men, of a uniformly high type. They are intelligent, industrious and conscientious. They are reliable. They are expert because they have been thoroughly trained, both practically and scientifically.

This uniform high quality of men is not an accident. It is the result of a deliberate policy of selection and elimination that has been carried on over a considerable period of years. We neither employ nor keep men who are lazy or dishonest or careless. If one of the wrong kind slips in, we get rid of him as soon as he is discovered.

Those who are left with us, after the process of elimination has done its effective work, are an inspiring group of young American manhood who love their work, and who do it with rare skill, industry and devotion.

THE DAVEY TREE EXPERT CO., INC.
433 City Bank Building
Kent, Ohio

Reviews of Recent Business Books

Profits, by William Trufant Foster and Waddill Catchings. Houghton Mifflin Company, Riverside Press, Cambridge, Mass., 1925.

Professor Foster and Mr. Catchings have supplemented their interesting "Money" with this no-less-readable book on "Profits." Their philosophy and their stimulating method of writing are not new to readers of NATION'S BUSINESS. Articles in our issues for March and May contained some of the material re-presented in this volume.

The authors of "Profits" are frank to recognize that our present economic system is far from perfect. Three paragraphs from the preface on their philosophy:

"Far-reaching changes in the established order are sure to come, for the people are and ought to be dissatisfied. Moreover, they are becoming increasingly aware of their political power, and they are giving more and more thought to economic problems. Measures are sure to be taken for the purpose of removing the unquestionable defects of the present money and profit economy. The only question is whether these measures shall be taken intelligently.

"Upon those who are capable of dealing with this intricate problem rests, therefore, the responsibility of leading the way. The trouble is that it is precisely those who are competent who are most complacent.

"Before they achieved success, many of these men were unhappy over the inefficiency and injustice of our industrial system and eager to do something about it; but now that they have won fortunes in spite of conditions which once seemed to them intolerable, they are inclined to think that any one who is not equally successful has only himself to blame. They do not see that the financial mechanism of industry is such that nobody can achieve great material prosperity except at the expense of others; nor do they see that in any event the problem of society is to take human beings very much as they are and make the world a better place for them to live in."

For the present, at any rate, we cannot eliminate the profit motive nor fail to recognize that profits are the rewards for successfully taking risks. One more sentence to show the object of the book:

"We shall continue to consider whether those of us who decry large profits should not seek relief through the constructive and practical plan of gradually modifying the conditions which give rise to large profits, rather than through the destruction of our established profit economy."

A stimulating book, and a worthy successor to "Money."

Better Correspondence, by W. C. Miller. Miller Publishing Company, El Paso, Texas, 1925.

Something more than half of this book is made up of extracts from articles on letter-writing in business magazines, and of comments on daily correspondence received by such executives as the president of Sears, Roebuck & Co., the advertising manager of Kelly-Springfield Tire Co., the purchasing agent of Butler Brothers and of three large railroads. Suggestions are offered for opening and closing paragraphs for sales letters. A brief, effective chapter is given on aids to dictation. The book has informative sub-heads which act as a running index.

Industrial Pensions in the United States, National Industrial Conference Board, Inc., New York, 1925.

A study of nearly 250 industrial pension plans. Too little is known, the compilers feel, of the best methods of granting pensions, and there is lack also of accurate knowledge of the cost of pension systems. The last word of warning in this convenient little book is:

"A policy of early funding on a scientific basis is the essence of economy and good psychology for a pension system that is to remain solvent."

The Industrial Museum, by Charles R. Richards. The Macmillan Company, New York, 1925.

Mr. Richards is director of the American Association of Museums, and for that body he visited the industrial museums and museums of industrial art in Europe. This is the first of two volumes devoted to the subject.

There are four great industrial museums in Europe: the Conservatoire des Arts et Metiers in Paris, the Science Museum of London, the Deutsches Museum in Munich, and the Technical Museum in Vienna. To each of these a chapter is devoted.

The subject of industrial museums in the United States, a field in which we have lagged behind Europe, is discussed and an outline of what such museums might contain is suggested. Some 50 illustrations from photographs add greatly to the value and interest of the volume.

Cost Accounting Principles and Practice, by J. P. Jordan and Gould L. Harris. The Ronald Press Company, New York, 1925.

A second edition of a book first published some five years ago. Intended for class room use and filled with problems and questions for that purpose.

French in Commerce, by Jean J. Labat. A. W. Shaw Company, Chicago, 1925.

A convenient, and no doubt useful, book for the student who aims to enter the world of export trade.

Retail Accounting and Control, by Albert C. Hodge. University of Chicago Press, Chicago, Ill., 1925.

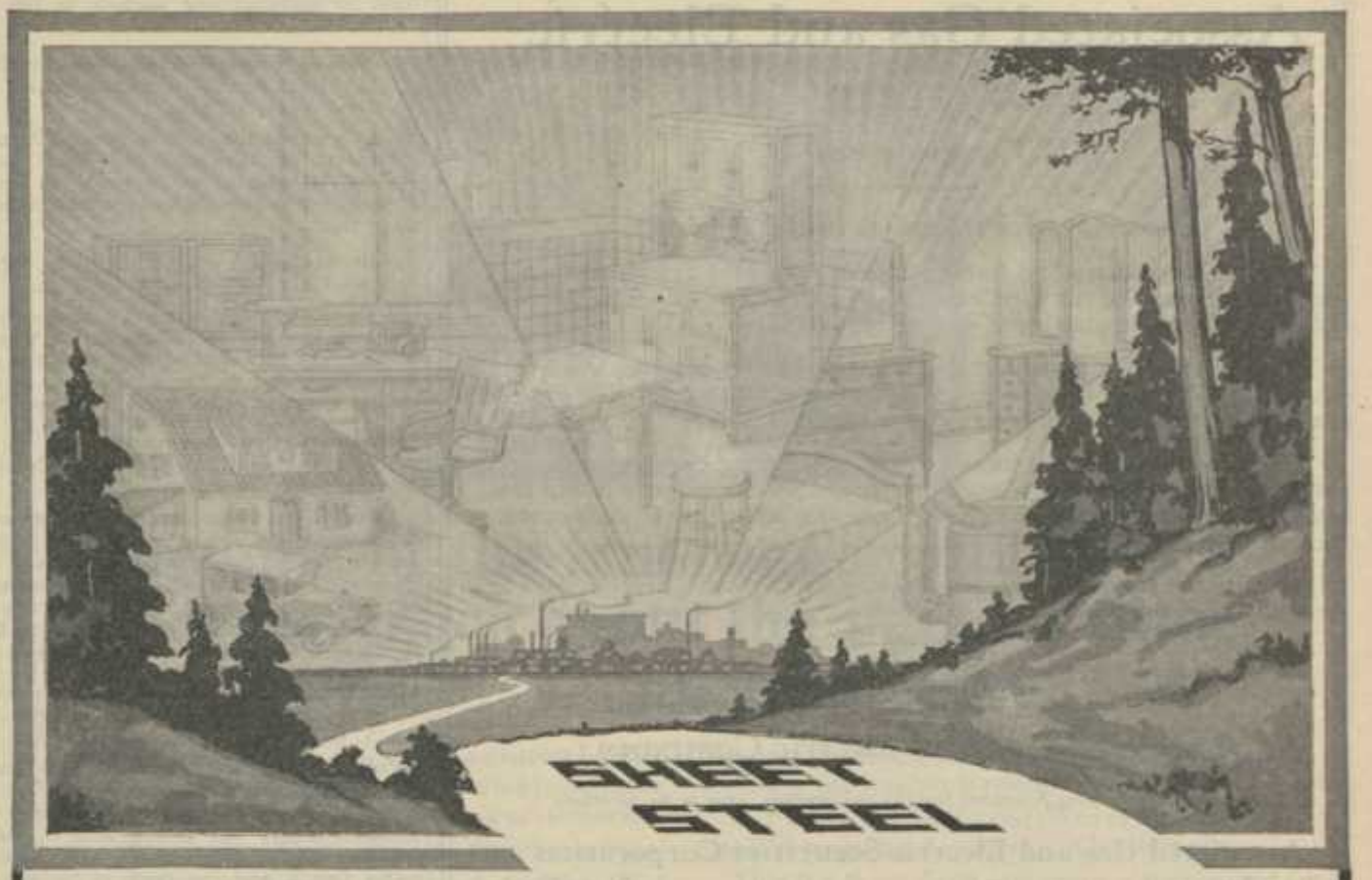
Cost accounting literature, the author believes, has dealt fairly with production costs but has neglected merchandising costs. His book is an effort to remedy that neglect.

World Developments in the Cotton Industry, by Louis Bader. New York University Press, New York, 1925.

A survey of recent developments in the cotton goods industry in the United States, including the expected discussion of the South vs. New England as a center of manufacture. The author thinks that better methods of



COURTESY MERCHANTS N. B. Y. New York Harbor in 1776



A Main Road to Better Products and New Markets

Every designer, every manufacturer is constantly striving to better his product and enlarge his market. The utilization of Sheet Steel has frequently accomplished both purposes.

Every engineer is familiar with the tremendous improvements made in the automobile through the more extensive use of Sheet Steel. Hand labor has been reduced, rejection of finished material all but eliminated, and the final product is lighter, stronger and better.

Steel furniture for residence, office, hotel and hospital use is rapidly growing in popular favor and demand. Its durable beauty, its rugged strength and fire safety are rapidly making it the standard. A market has been opened that is world-wide—every home, every office, every business is a prospect for this modern material.

Because of its uniformity, Sheet Steel lends itself particularly to mass production. This uniformity is literally built into the product, for in the process of production it is rolled and re-rolled until the sheet is homogeneous from end to end. Parts produced from these sheets are exact duplicates as to strength, finish and dimensions.

Sheet Steel has another advantage. It permits the designer to introduce a new beauty into his product. For the first time beauty has become really practical—for the beauty of Sheet Steel endures. The surface finishes baked on Sheet Steel become practically an integral part of the metal. Either wood grains or flat enamels may be used with equal durability. The finish resists smoke, water, dirt and even acids.

Designers can do well to study the many advances that have been made both in design and production through the use of Sheet Steel. These are opening tremendous new fields for construction and fabrication in which standardized and organized large scale operations are giving the public better products and greater values and, in turn, are opening vast markets for the producer.

You will be interested in our booklet, "THE SERVICE OF SHEET STEEL TO THE PUBLIC." Ask for a copy.

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TRADE EXTENSION COMMITTEE
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Associated Gas and Electric System

Founded in 1852

Diversity of Properties and Earnings

One of the outstanding features of the Associated System is that its properties serve a wide variety of communities and enterprises. This diversity adds materially to the stability of earnings.

The Associated properties are located in 11 leading eastern states and in the city of Manila. They serve 325,000 customers in 1,000 old and well-established communities with 2,000,000 population.

The communities served include agricultural, manufacturing, mining and residential areas, which means wide diversity. No one industry or business predominates. Prosperous conditions in one area offset less favorable conditions elsewhere.

Over 25,000 persons, of whom a majority are customers, have invested in the securities of the Associated System.

We invite inquiry regarding opportunities for expanding your business by locating in territories served by properties of the

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For information concerning Associated facilities and securities, write to its subsidiary

Associated Gas and Electric Securities Corporation
61 Broadway New York



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Circle A Partitions (Sectional and Movable) are all that you would wish if you were having partitions built to order yourself.

The absence of connecting hardware, the substantial and uniform character of both upper and lower sections, their careful workmanship and beautiful finish, give them a solid dignity notwithstanding their easy portability and simplicity of assembly.

Railing, Seven Foot or Ceiling Height; two designs, any finish. Send for 1926 catalogue.

CIRCLE A PRODUCTS CORPORATION, 658 South 25th St., Newcastle, Ind.

merchandising are the most immediate need of the industry and looks for no radical development in manufacturing methods in the near future.

Analysis of Financial Statements, by Harry G. Guthmann. Prentice-Hall, Inc., New York, 1925.

The Associate Professor of Business Administration at the University of Texas tackles financial statements, not to teach the making of them, but to help the business man to understand them.

Credit Analysis, by W. C. Schluter. Prentice-Hall, Inc., New York, 1925.

A thoughtful study of credit problems by the Assistant Professor of Finance at the Wharton School. The publishers say that it "makes clear the methods and factors which cause a credit man to accept or reject credit to a buyer."

Mathematics of Accounting, by A. B. Curtis and J. H. Cooper. Prentice-Hall, Inc., New York, 1925.

Described by the publishers as "a treatise on the short-cut methods as practiced by accountants in simple and complex accounts." Undoubtedly helpful but difficult to review by an editor who has accepted the fact that two and two make four but would be willing to listen to reason if someone said they made five.

Literature for the Business Man, selected and edited by Gerald E. SeBoyar. F. S. Crofts & Co., New York, 1925.

Prof. SeBoyar, who teaches business English at New York University, has chosen from the range of English Literature, beginning with Caxton's Malory and ending with O. Henry, selections dealing with business. If one would realize that a poet can think of business, we commend Shelley's "Commerce of Selfishness vs. Commerce of Virtue," with these lines:

> Commerce! beneath whose poison-breathing shade
> No solitary virtue dares to spring,
> But poverty and wealth with equal hand
> Scatter their withering curses, and unfold
> The doors of premature and violent death
> To pining famine and full-fed disease
> To all that shares the lot of human life,
> Which, poisoned body and soul, scarce drags the chain
> That lengthens as it goes and clanks behind.

Two unusual and interesting books.

An Economic History of Russia, by James Mavor. E. P. Dutton & Company, New York, 1925.

A revised and enlarged edition of the valuable work of the late James Mavor, Emeritus Professor of Political Economy in the University of Toronto.

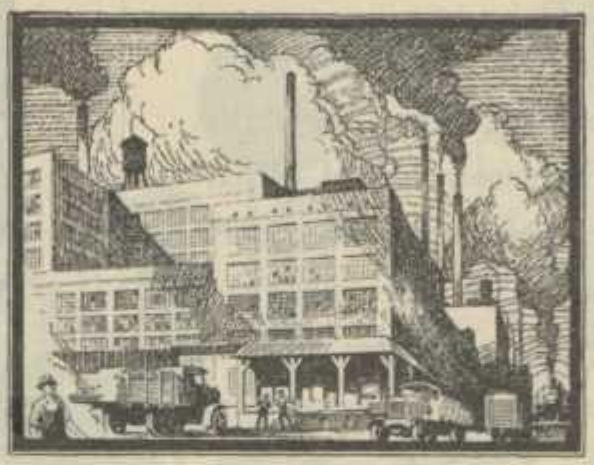
Managing the Interview, by J. C. Aspley. The Dartnell Corporation, Chicago, 1925.

Suggestions, pleasantly told and easily read, on how to meet the man to whom you want to sell goods. Some of Mr. Aspley's suggestions seem dangerous. Doesn't the prospect resent the too dramatic approaches—the salesman who carries a cook stove to toast cigarettes, or the one who rearranges the retailer's goods?

Mr. Aspley's figures give us some concern. He tells of a paint salesman who in fifty years traveled a billion miles. Even for a supersalesman, 60,000 miles a day seems a lot.

Bus Operating Practice, by Roy Hauer and George H. Scragg. International Motor Company, New York, 1925.

The technique of starting and operating bus lines, how to select a profitable field, securing franchises, meeting legal requirements, training drivers, keeping cost accounts—these and kindred topics are discussed in detail.



How one of the Lumber Companies got to know so much about the Factory Owner and his Lumber Problems

THREE or four years ago, a district lumber salesman happened to see a crate being made in the shipping room of one of his customers.

What he saw hurt his sense of lumber values.

Too many boards, too much weight. Not enough strength, nor enough protection for the merchandise.

It set him to thinking—and from that thought has grown the Weyerhaeuser Specialist Service that is one of the era marks in the use of lumber in American industry.

Up to that time, no lumber concern had ever had much more than a general idea as to *how* lumber was selected and used in the thousands of specialized industrial uses.

The natural assumption was that the Factory Owner or his Purchasing Agent bought the right kind of lumber for the job they had in mind, and used it to best advantage.

THIS may sound like indifference on the part of the lumberman.

What it really means is that a lumber concern like Weyerhaeuser has a husky job of its own. A job that had absorbed all its energy heretofore.

It requires great timber resources and lumber manufacturing plants to feed into American industry the lumber it requires.

But from this point out Weyerhaeuser set itself to study lumber *users* and lumber *uses*.

This led them deep into many a specialized problem that the Factory Purchasing Agent and his employer had been struggling with patiently—but could not solve completely without the knowledge that only an expert lumberman could give them.

IT IS the function of the Weyerhaeuser Specialist Service to contribute this expert lumber knowledge to the industrial men of this country.

It is always a *specialist* contribution. A definite solution for the personal problems and needs of the *individual lumber user*.

Weyerhaeuser experts go almost everywhere. Not to sell a man something so much as to *tell* him what he wants to know about lumber in relation to his individual use of lumber.

There never was such a lumber service conceived and carried through before.

A specialist service.

With material resources almost without limit.

With human vision and intelligence focused on the lumber needs of American industry today.

It is the new deal.

WEYERHAEUSER FOREST PRODUCTS
SAINT PAUL · MINNESOTA

Producers for industry of pattern and flask lumber, factory grades for remanufacturing, lumber for boxing and crating, structural timbers for industrial building. And each of these items in the species and type of wood best suited for the purpose.

Also producers of Idaho Red Cedar poles for telephone and electric transmission lines.

Weyerhaeuser Forest Products are distributed through the established trade channels by the Weyerhaeuser Sales Company, Spokane, Washington, with branch offices at 208 So. La Salle St., Chicago; 230 Broadway, New York; Lexington Bldg., Baltimore; and 806 Plymouth Bldg., Minneapolis; and with representatives throughout the country.

"Something better"

"LET ME SEE something better," says the customer—very frequently indeed. That something better in an automobile may cost several hundred or perhaps even several thousand dollars more; but in a cigarette it costs just three cents more

FATIMA



"What a whale of a difference just a few cents make"

LIGGETT & MYERS TOBACCO CO.



Brush painting vs. Spray painting

YOU take a "squirt-gun." I'll stick to a good bristle brush, like a Whiting's Brush or an Adams Brush. You'll always be a "slop-job" man. I'll build a Master Painter reputation. You'll do a cheaper job? Maybe. Anyhow, it'll look cheaper. But mine'll outlast it—three to one. What's the answer? Machine painting never can take the place of brush-work where quality and real economy count for anything. Don't be side-tracked from good brushes. Start off on the right foot—with Whiting-Adams Brushes—and you won't finish flat on your back.

WHITING-ADAMS
BOSTON
Brush Manufacturers for 87 years and the largest in the World

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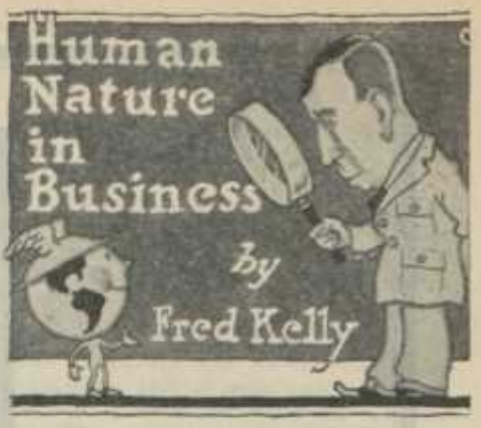
Associated since 1846 with the Scientific American

602 Woolworth Building, *New York City*
528 Scientific American Bldg., *Washington, D.C.*
417 Tower Building, *Chicago, Ill.*
570 Hobart Building, *San Francisco, Cal.*
225 Van Nuys Building, *Los Angeles, Cal.*

Books and Information on Patents and Trade Marks by Request.

Globe-Wernicke
Steel Filing Cabinets
are good, very good

Branch Stores—Cincinnati, Detroit, New York, Philadelphia, Washington, Chicago, Boston, Cleveland.
Authorized Dealers Everywhere



I HAPPENED to be in a clothing store when a man came in to buy a suit of clothes, accompanied by his buxom, jolly-faced wife. She laughingly apologized to the clerk for coming along.

"I dare say you find wives a great nuisance in here," she suggested. "It must be bad enough to have to satisfy the man who is to wear the suit without having to please his wife also."

"That's where you're utterly mistaken," gravely replied the clerk. "I'd far rather have a man's wife right with him. Then I know that when I sell him a suit it will stay sold. I can make the sale in less time, too. When a man is alone he hems and haws, all the time secretly wondering if the color or material that he likes will please his wife. He is slow coming to a decision because he doesn't know what his wife will say. Maybe when he does make a selection, his wife frowns on it at home and then the clerk has to sell him a suit all over again. If the wife's along, the whole problem is soon settled."

CYRUS LOCHER, who directs the so-called blue-sky department of the state of Ohio, and must check up on all companies whose business operations in the state might be subject to question, made a trip to Florida to see what he could find out. A real estater showed him a building lot which, the agent said, was a bargain at $30,000.

"But just how," inquired Locher, "could I possibly do anything to it that would make it yield me a reasonable return on $30,000?"

"Sell it to some other fellow for still more money," gayly replied the agent.

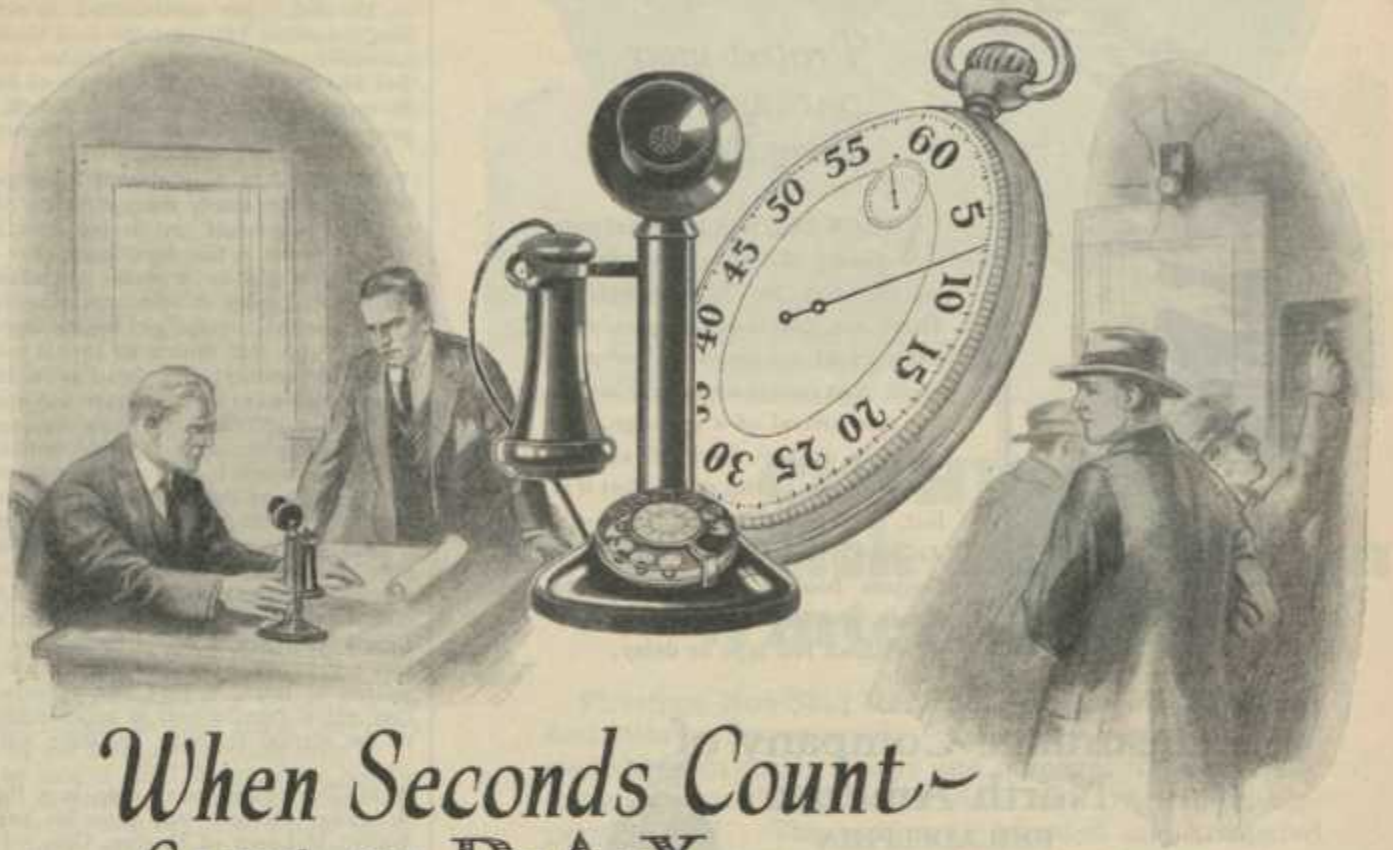
And Locher walked away gravely shaking his head. 'Twas just as he had feared.

I CHANCED to buy some flowers from the best known florist in an eastern city and mentioned to him that I had heard his success in retail business was due to his dependability. Old customers declare that he never gets addresses mixed up and never fails to keep his promises about delivery.

"If I have such a reputation," he told me, "I have paid a big price for it. I haven't had a day off—not even a Sunday—in so many years, that you might not believe me. I have stuck constantly on the job to make sure that everything has proper attention."

And it occurred to me that nearly every business large or small which is a conspicuous success, has cost somebody just such a sacrifice. Somebody has to be perpetually on the job.

ON THE other hand, I occasionally hear of a business that is handicapped because the boss doesn't go away oftener. He



When Seconds Count—
Count on P-A-X

HOW many occasions can you recall when an important telephone connection could not be completed at the time when *seconds* counted? The employee you wanted just at closing time—who left the building while the operator was making another connection; the time a sprinkler pipe burst, doing hundreds of dollars' worth of damage before the engineer could be located to shut off the water; the elevator that stuck between floors for ten minutes before the building superintendent could be found.

In such emergencies, the Code Call feature of P-A-X proves invaluable in putting you in touch with the persons needed, no matter in what part of the building or plant they are, *without the loss of an instant.* In addition to the Code Call feature, the speed and accuracy of P-A-X in inter-office and plant communication is daily proving its value to more than two thousand industrial and business organizations of every size in all parts of the country.

The P-A-X is, fundamentally, a private automatic telephone exchange built of the same Strowger type of automatic telephone equipment being so widely adopted for city service. The P-A-X may be furnished to include and coordinate such services as code call, conference, executive's priority, emergency alarm, etc., to meet individual needs.

P-A-X TRADE MARK

PRIVATE AUTOMATIC EXCHANGE

Automatic Electric Inc. is the originator of P-A-X and is the only organization in the United States manufacturing interior telephone equipment under this trade-mark. Its use by any other company is absolutely unauthorized.

Automatic Electric Inc.

Home Office and Factory, CHICAGO, ILL. Branch Offices in all principal cities.



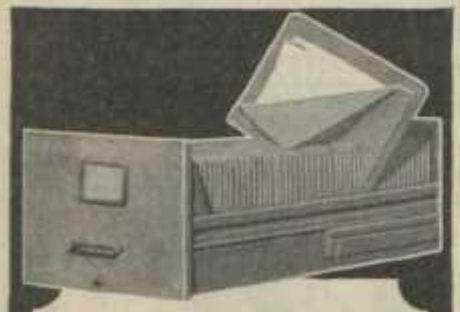
Protect your packages all along the line

A PACKAGE sent by parcel post passes through many hands on the way to its destination. There are practically unavoidable chances of accident, error and theft. You cannot absolutely insure the safe arrival of a package, but you can insure yourself against financial loss in the event that it is lost, damaged or stolen. A North America Parcel Post Insurance Coupon Book will enable you to insure each package as you wrap it, without red tape or delay.

Insurance Company of North America
PHILADELPHIA
"The Oldest American Fire and Marine Insurance Company"
Founded 1792

Insurance Company of North America
Sixteenth Street at the Parkway
Philadelphia, Pa., Dept. N-2

Name .....
Street .....
City ..... State .....
Wants information on Parcel Post Insurance



MAKE FILING EASY and FINDING SURE

Change your files from masses of crumpled and misplaced letters to orderly speedy records by using FIBERSTOK red file pockets.

These pockets eliminate bulging and overcrowding in the files. They allow each letter to go all the way into the file, protect every edge and keep the index always visible.

When you want a paper you just turn down the diagonal flap, examine the contents without removing from pocket and withdraw the paper you want, clean and unfurled.

FIBERSTOK red file pockets have a capacity from one to three hundred letters. They will outwear a dozen ordinary manila folders and can be used over and over again. Write for a **FREE** sample today.

Sold only through retail dealers

National Fiberstok Envelope Co.
431 Moyer St., Philadelphia, Pa.

FiberstoK RED



Investors in practically every section have for years secured 8% *without a single loss* from our $100 to $1,000 First Mortgage Real Estate Bonds secured by income paying, *city* business property, conservatively, independently appraised at substantially *twice* the amount of mortgage loan. Send for 28-page "8% And Safety" booklet, explaining how bonds are underwritten and giving complete information every investor will find *profitable*. References: All Miami Banks.

THE FILER-CLEVELAND CO
2702 Bedford Bldg., Miami, Fla.

sticks around, yet doesn't do as much routine work as he once did. Mail accumulates on his desk. His subordinates do not feel like reminding him that the mail should be answered more promptly. Neither do they feel like answering it themselves so long as he expects to find it on his own desk. His presence slows down all office activity.

I HAVE often noticed that sales girls in department stores are apt to be dressed stylishly somewhat in proportion to the scale of prices in the store where they work. That is, a girl in a store specializing in lower-priced goods will not appear as cleverly dressed as the average girl behind the counter in a store that directs its appeal more toward the wealthy. The head of a famous department store recently gave me a simple explanation of this. It isn't because the store having the higher priced goods pays its girls so much more than the other store.

"Our girls are the best looking to be found in the city," this man replied, "because our women customers are on the whole the most fashionably dressed people in town. Our girls, deliberately or unconsciously, imitate the dress as well as the manners of the society women with whom they deal. If we hire a girl from a ten cent store in a humble section of town, it isn't two months until that girl is transformed in appearance—due to the eternal feminine imitative instinct."

I MET a clever young chap in a Pullman smoker recently who gave his name as Walter McLaren of Dayton, Ohio. I grew interested in him when I saw him give a dollar to the porter. Having in mind his Scotch name, such generosity didn't seem to tally with all the jokes and gibes I had heard about the Scotch. He told me that he is a manufacturer of ice cream cones; later on, I learned from one of his friends that despite the modest profit in any one cone, McLaren has gained a fortune from their sale. But what I started to tell was the significant remark he made about his business:

"You don't find ice cream cones in the second-hand stores," he said, "and when a man buys one you don't have to wait two or three seasons before he may be ready for another."

WHENEVER a report comes from one of the western states of a crop shortage in wheat, this news affects the general price of wheat, which shows how heedless and inclined we are to jump at conclusions. The fact is that the size of the wheat crop in any one state should have little to do with prices—because wheat is raised over such a large area throughout the world that a poor crop in one section is likely to be lost sight of in the general average.

"WE STEEL men are years behind the times," the head of a big steel mill told me. "If we had been doing all that we should in the way of chemical research, we would know by this time how to make steel not only rust-proof but in different colors. Why not rustless red, blue or yellow steel?"

COL. LEONARD P. AYRES recently remarked upon the change that has come in the phrasing of what was once called "buying on the instalment plan." That didn't sound any too respectable and those who bought even such necessities as furniture in that way were not inclined to boast about it. But today such luxuries as the highest priced automobiles are sold accord-

ing to what is politely referred to as "the budget system of purchases." Many highly respected citizens frankly buy all sorts of articles by making a small first payment. Part of the success of the plan probably is due to discussing it in more refined language, just as second-hand autos are more easily disposed of when called "used" cars.

I ASKED a famous automobile engineer if the next great mechanical improvement in motor cars is to be in better systems for applying oil.

"What we should do and must do," he replied, "is to devise a system for getting rid of oil entirely."

THERE is one type of advertising on which it is difficult to calculate the return. That is the radio program, offered by so many industries today. The only return is good-will, one of the famous announcers told me the other day, and he said that the outlay would astonish the average listener. More and more industries are coming to realize the value of good-will. A list prepared to show the methods of various industries in going after good-will would show some interesting developments, I am sure.

THIS LAST Christmas, it occurred to me that I might be more clever than other folks by *not* doing my shopping early.

"The idea of early shopping has been so widely adopted," I reflected, "that if I go to the stores a day or so before Christmas, I'll have everything my own way. The only trouble with my idea was that it didn't work. Stores were just as crowded as ever with last minute shoppers, despite all the early shopping propaganda. Each of us thought everybody else would obey the slogans. Which reminds me that it can never be possible to persuade farmers to plant just enough crops to supply public requirements. Each farmer when allotted his share is certain to hunch a little, to be sure to have enough of the crops that he thinks will be most valuable and a little less of those that he thinks may be overproduced. That leaves us just where we are, because the farmer is almost sure to guess wrong. If hay is high priced this year, because of scarcity, he will plant more than ever and will make little money on it because all his neighbors likewise will have a surplus. But if corn is low-priced this year, due to abundance, he will assume that low prices are to continue and will not plant enough.

I USED to think that automobiles would decentralize all large cities by breaking them more than ever into small sections—inasmuch as we are no longer depending on street cars and do not all need to go to a common meeting ground, the so-called downtown section. But habit seems to prevail and, along with the growth of outlying business centers, people seem to keep right on congregating in the heart of every city. Congestion is so great that men cannot conveniently use their own cars or street cars to get about from one building to another. Hence important buildings must be within walking distance of each other.

I AM WONDERING if Ford cars are hurting the passenger traffic of railroads as much as we have been led to believe. Many of the folk I know who are now busily dashing about in their cars used to stay at home practically all the time and never rode on trains with the exception of an occasional dollar excursion.



CUSHION Your Truck and Load on Winter Roads

Firestone Non-Skid Hi-Type Tires absorb the bumps and jolts on frozen roads—protecting your truck and its load from costly delays and damage. The specially designed non-skid tread provides firm traction on slippery ground. The uniformly blended and tempered rubber assures maximum mileage at minimum cost.

Firestone Truck Tire Engineers will gladly help in determining the proper sizes from the complete Firestone line, best suited to your needs. See nearest Firestone Service Dealer today.

MOST MILES PER DOLLAR

Firestone

The Mark of Quality

AMERICANS SHOULD PRODUCE THEIR OWN RUBBER . . . H. S. Firestone

Incorporate to Advantage

Your interests can be better served. Powers and privileges, reduced initial yearly fees and taxes, vital advantages to the promotion and development of successful business are attainable.

Information and the advice of corporate experts are freely offered.

Your inquiry will be gladly answered

CORPORATE SERVICE ASSOCIATION
Alexander Bldg. San Francisco

Reprints of Articles

appearing in this magazine may be ordered from NATION'S BUSINESS, Washington.

We will give permission, on request, for the *reprinting* of articles from NATION'S BUSINESS in house organs, or in other organization periodicals.

When buying FIRESTONE TIRES *and writing to* CORPORATE SERVICE ASSOCIATION *please mention Nation's Business*

this is the penalty of leadership



that he whose need is greatest *finds it hardest to slow down*

To leaders in business and professional life, in social and political activities, here is the real secret of the Glen Springs' appeal: not simply charm of atmosphere and loveliness of setting (though the winter magic of the Glen alone draws hundreds every year)—but rather the certain knowledge that here, in weeks, real help can be given in repairing the damages of years.

High in a thousand acres of fragrant pines, here are outdoor sports and bright companionship; tempting meals, leisurely eaten, and pine-scented air to bring deep sleep at night; but, most important of all, here are specialists to *plan* your rest.

Careful looking over of the whole complex bodily machine, and its marvellous engine, the heart. Intelligent regulation of the triple cycle, Diet—Exercise—Sleep. And for taut nerves, overdriven bodies, a completer relaxation than you have ever known.

Your own physician probably knows the story of this unique Mineral Springs and Health Resort, for it works in close cooperation with him always. Its radio-active mineral springs for kidney and digestive troubles, its baths (including the only natural Nauheim calcium chloride brine bath in America for the treatment of heart and circulatory disorders) are nationally famous. And its guests—are different people when they leave!

You have tried a dozen recipes already for two weeks—a month—of change and pleasure: this year try a winter vacation whose effects *endure*. The coupon will bring you complete literature.



The Glen Springs,
Watkins Glen, New York
William E. Leffingwell, President.
Send me your descriptive booklets.

Name.....

Address.....

.....

Plea for Better Understanding Pleases Senator Fess*

To the Editor of Nation's Business:

Your statement "Both Wrong" is true and timely.

It has been the humor of the public during the past quarter century as expressed in the attitude of some public representatives to look upon business as crooked because it is primarily selfish. Great success, which at one time was cited with favor as American opportunity to the youth of the land, came to be looked upon first with suspicion and then with condemnation. Big business became a term of reproach, and captains of industry were classed as undesirable citizens.

This cycle of public thinking expressed itself in terms of aspersion and took the trend in legislative restrictions. Various business corporations were subjects of interminable investigations, and served as issues in congressional campaigns where they were used as political vehicles on which to ride into office, and then the politicians attempted to make good by proposed legislation to meet the situation—hence, business baiting by legal procedure against alleged crooked business and business methods.

The honest business man thus hampered by political interference from whatever motives endeavored to seek relief from strangulatory regulation. He measured the justification or lack of it for such laws, by his own standards of business ethics, and charged the legislator with mere political motives.

His inability to influence him along his lines of thought is the basis of his charge of demagogy. On the one hand, the public representative charges business as crooked; on the other, business charges the public representative as demagogic, until the two terms in the public mind have become symbolic of classes.

Unfortunately there has been crookedness in some business. Equally unfortunately there has been demagogic conduct in public service. Neither is representative, and each but an exception. The pity of it as well as the danger is the habit of the press reflecting the humor of the public mind to use the fugitive utterance and the occasional occurrence as the general state of the case that "most business is crooked and the general run of public officials corrupt or at least demagogic."

Every senator's desk is loaded from the daily current with such literature. Weekly letters purporting to express the judgment of the business organization which authorize them are filled with statements derogatory of the personnel of Congress; pages are devoted to warnings of business men against their Congress, and paragraphs indicting the honesty and integrity of Congress, with the result, that if such utterances are to have any credence, the reader must think that Congress is a body to be spied upon and to be suspected.

To the members of Congress who believe in the integrity of American enterprise and industry, and who know that prosperity depends upon encouraging capital to invest and thereby open the way to the employment of labor, and who are well aware that members of Congress as a body are devoted to the best interests of the country as they see them, such irresponsible references are merely a source of pity that the authors cannot be disciplined without hurt to the industries they represent.

To the members of Congress who, for whatever reason, do not consider the integrity of American enterprise as of prime importance, or whose economic view is from an entirely different school, this literature is but fuel on the flame, and is cited as proof conclusive of their position.

The misfortune of this attitude is not that we do not all think alike on economic problems, but that differences of opinion are seized upon by both sides as from improper motives.

There may be crooked businesses; most likely there are. To that degree the radical is justified in attempting to correct it. There may be demagogues in Congress; most likely there are. In that degree business is justified in attempting to relieve the public. But business as a rule is straight, and public men as a rule are honorable. The sensation-monger may temporarily profit by his methods, but it must be at the expense of the public good.

Nation's Business will truly serve the public if it carries out its policy along the line of its announcement "Both Wrong." To lead the public mind in a true course is the highest mission of a publication. I know of no more serious fatality than to lead the people of America to distrust the character and integrity of their public officials. That only feeds the anti-government movement on the one hand and invites a dictatorship on the other. No true American will knowingly promote either.

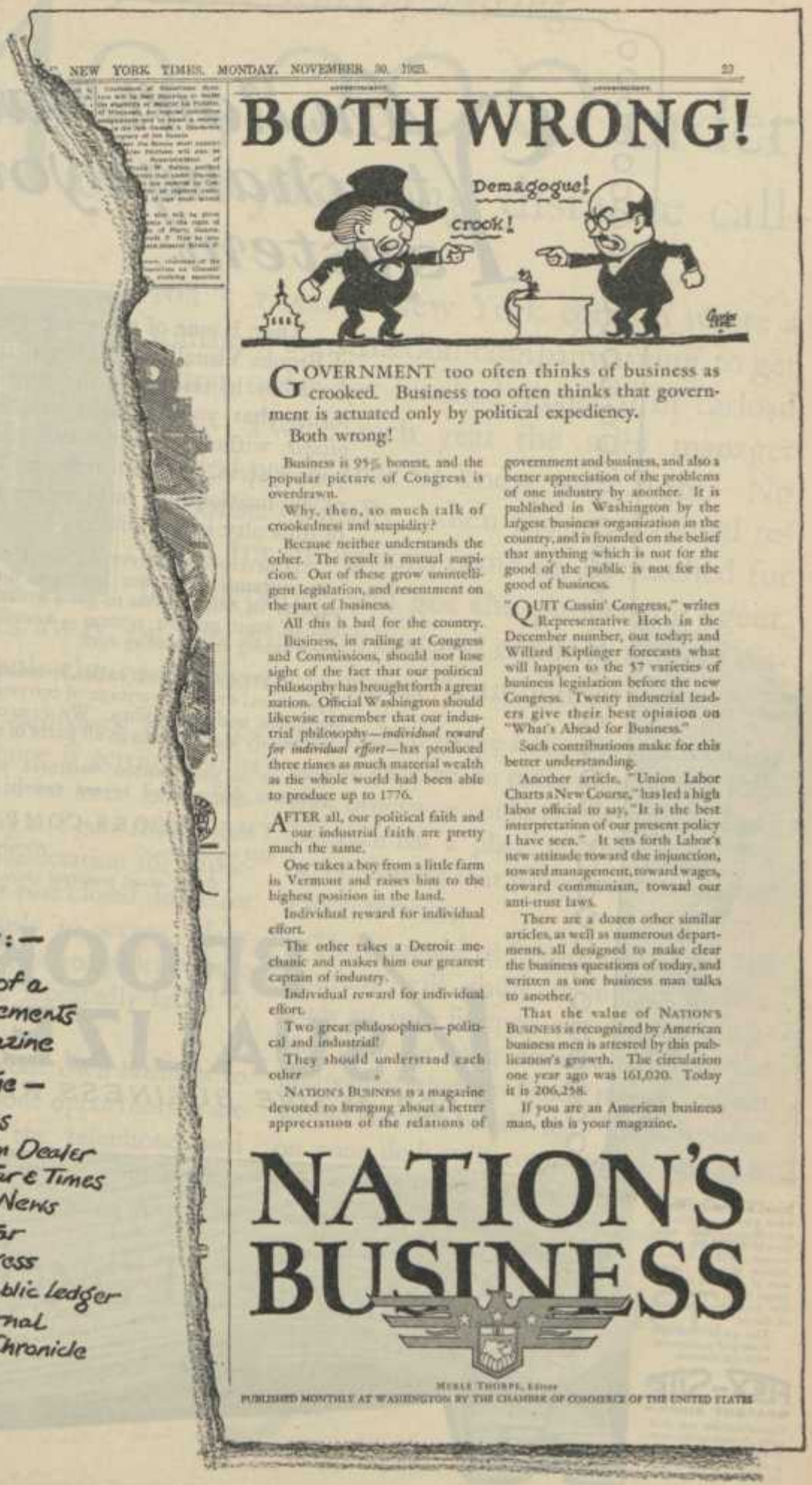
(Signed) Simeon D. Fess,
Senator from Ohio.

** The above letter was inspired by the advertisement for* Nation's Business *which is reproduced on the opposite page.*—The Editor.



The drive in Central Park in the early days

When writing to The Glen Springs please mention Nation's Business



NEW YORK TIMES, MONDAY, NOVEMBER 30, 1925. 23

BOTH WRONG!

GOVERNMENT too often thinks of business as crooked. Business too often thinks that government is actuated only by political expediency.

Both wrong!

Business is 95% honest, and the popular picture of Congress is overdrawn.

Why, then, so much talk of crookedness and stupidity?

Because neither understands the other. The result is mutual suspicion. Out of these grow unintelligent legislation, and resentment on the part of business.

All this is bad for the country.

Business, in railing at Congress and Commissions, should not lose sight of the fact that our political philosophy has brought forth a great nation. Official Washington should likewise remember that our industrial philosophy—*individual reward for individual effort*—has produced three times as much material wealth as the whole world had been able to produce up to 1776.

AFTER all, our political faith and our industrial faith are pretty much the same.

One takes a boy from a little farm in Vermont and raises him to the highest position in the land.

Individual reward for individual effort.

The other takes a Detroit mechanic and makes him our greatest captain of industry.

Individual reward for individual effort.

Two great philosophies—political and industrial!

They should understand each other.

NATION'S BUSINESS is a magazine devoted to bringing about a better appreciation of the relations of government and business, and also a better appreciation of the problems of one industry by another. It is published in Washington by the largest business organization in the country, and is founded on the belief that anything which is not for the good of the public is not for the good of business.

"QUIT Cussin' Congress," writes Representative Hoch in the December number, out today; and Willard Kiplinger forecasts what will happen to the 57 varieties of business legislation before the new Congress. Twenty industrial leaders give their best opinion on "What's Ahead for Business."

Such contributions make for this better understanding.

Another article, "Union Labor Charts a New Course," has led a high labor official to say, "It is the best interpretation of our present policy I have seen." It sets forth Labor's new attitude toward the injunction, toward management, toward wages, toward communism, toward our anti-trust laws.

There are a dozen other similar articles, as well as numerous departments, all designed to make clear the business questions of today, and written as one business man talks to another.

That the value of NATION'S BUSINESS is recognized by American business men is attested by this publication's growth. The circulation one year ago was 161,020. Today it is 206,258.

If you are an American business man, this is your magazine.

NATION'S BUSINESS

MERLE THORPE, Editor

PUBLISHED MONTHLY AT WASHINGTON BY THE CHAMBER OF COMMERCE OF THE UNITED STATES

To our readers:—

This is the ninth of a series of announcements about your magazine

IT appeared in the—

New York Times
Cleveland Plain Dealer
Kansas City Star & Times
Chicago Daily News
Washington Star
Detroit Free Press
Philadelphia Public Ledger
Milwaukee Journal
San Francisco Chronicle
and
Seattle Times

You don't have to change your system

That is one of the great advantages of Brooks Visualizers. They permit such *flexibility* in respect to the dimensions of forms that your records can be made *visible* without troublesome changes in your system. In hundreds and hundreds of applications we have never had a bit of difficulty in installation.

Our representatives do not try to impose new systems upon your business, but they are experts in helping you to get a great deal more out of your present system — *usually at a very great saving in operating cost.*

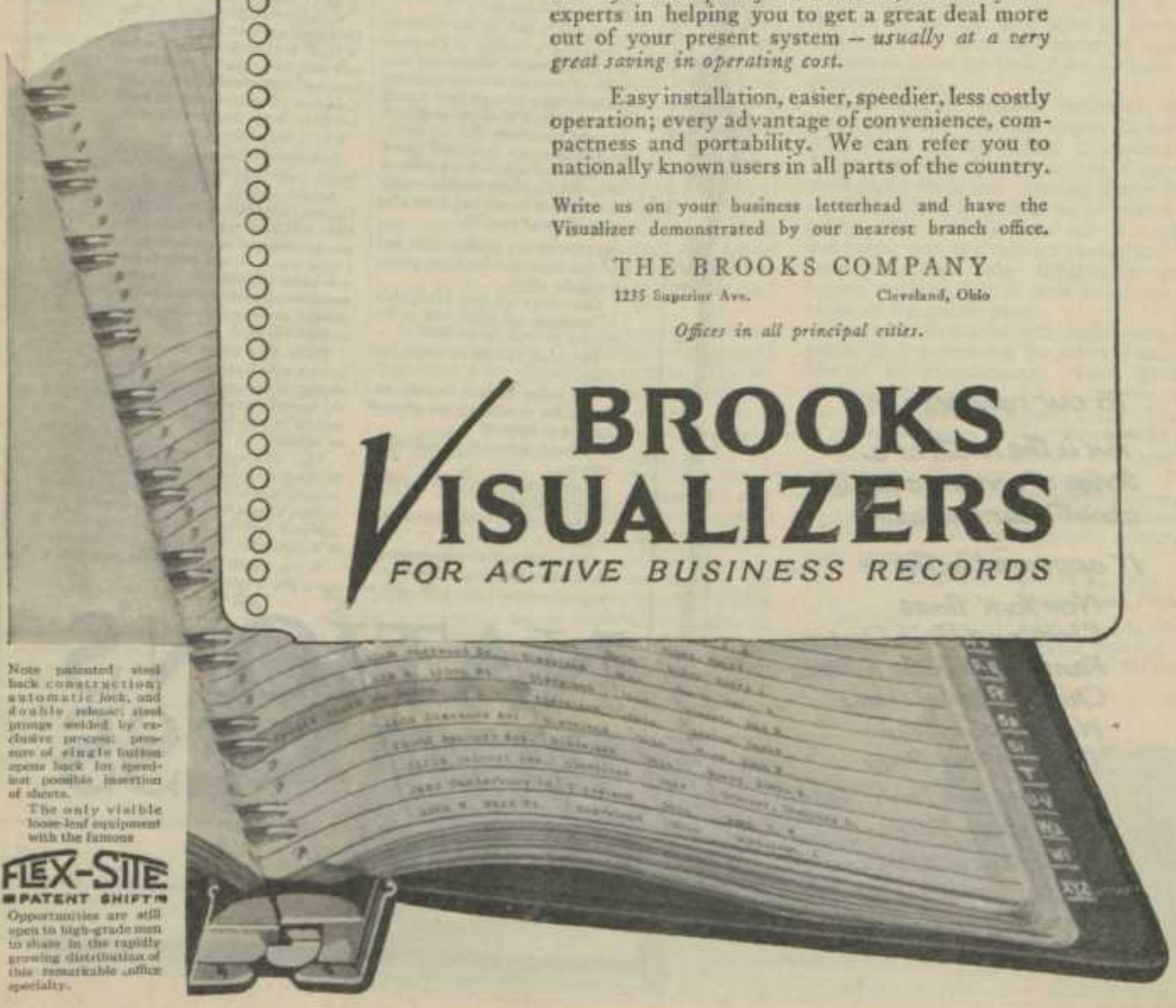
Easy installation, easier, speedier, less costly operation; every advantage of convenience, compactness and portability. We can refer you to nationally known users in all parts of the country.

Write us on your business letterhead and have the Visualizer demonstrated by our nearest branch office.

THE BROOKS COMPANY
1235 Superior Ave. Cleveland, Ohio

Offices in all principal cities.

BROOKS VISUALIZERS
FOR ACTIVE BUSINESS RECORDS



Note patented steel back construction; automatic lock, and double release; steel prongs welded by exclusive process; pressure of single button opens back for speediest possible insertion of sheets.

The only visible loose-leaf equipment with the famous

FLEX-SITE
PATENT SHIFTING

Opportunities are still open to high-grade men to share in the rapidly growing distribution of this remarkable office specialty.

After five years of writing

a $40,000 order on the *first* long distance call



FOR 5 YEARS a New York concern wrote a southern construction company trying to get a first order for finished material in carload lots. Twice each year the sales manager mailed prices that he knew were right. No response. Finally, when the semi-annual request for quotations came in, he reached for his telephone and got the purchasing agent, a thousand miles away, on the wire. Prices and conditions were discussed and he took the order then and there. It amounted to $40,000!

IN THOUSANDS of businesses today the long distance telephone is getting results that otherwise would be lost. Long Distance cuts out waiting and gets the answer. It gets immediate consideration for important matters. It gets past closed doors, for its mission is obviously to serve. Many times Long Distance gets first orders where all other means have repeatedly failed to get an audience.

Have you studied your own business to see how many telephone opportunities are being neglected? Is the telephone used only in an emergency, or are your department heads and the members of your sales staff trained to use Long Distance regularly to cut expense, to make sales or purchases that otherwise could not be made? Long Distance has a place on the program of every business that has or wants more than a local territory.

The Commercial Department of the Bell company will gladly, upon call, make a study of your business and suggest a regular plan for long distance calls. In the meantime, what far-distant man or concern would you like to talk to? The telephone on your desk will connect you, just as it does with anyone wanted in the next town or the next building. . . . *Number, please?*

BELL LONG DISTANCE SERVICE

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